

DOWNTOWN PROJECTS II

• NEW DESIGNS FOR BOSTON •



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DOWNTOWN PROJECTS II

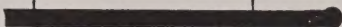
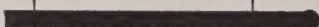
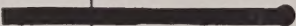
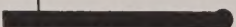
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April 1986

EDITOR'S NOTE

This report refers to "linkage" contributions by developers to promote job training and low- and moderate-income housing in Boston's neighborhoods. Such linkage contributions are required by Articles 26A and 26B of the Boston Zoning Code. In a recent Massachusetts Superior Court decision, Bonan, et.al. v. General Hospital Corporation, the court found the original linkage provision, Article 26, to be unauthorized under the zoning enabling act and therefore "a nullity". The City and the Boston Redevelopment Authority have appealed that decision and the Massachusetts Supreme Judicial Court is scheduled to hear the case on May 8, 1986. Because Articles 26A and 26B were not before the court in the above case, the court did not address the validity of Articles 26A and 26B, and therefore these provisions are procedurally still in full force and effect.

DEVELOPMENT CALENDAR

PROJECT	1986	1987	1988	1989
20 Custom House Street				
21 Custom House Street				
745 Atlantic Avenue				
110/120 Tremont Street				
101 Merrimac Street				
Parkside West				
One Faneuil Hall Square				

DOWNTOWN PROJECTS



1. 20 Custom House Street
2. 21 Custom House Street
3. 745 Atlantic Avenue
4. 110/120 Tremont Street

5. 101 Merrimac Street
6. Parkside West
7. One Faneuil Hall Square

DOWNTOWN PROJECTS II
NEW DESIGNS FOR BOSTON

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Introduction



INTRODUCTION

The development projects highlighted in this report represent the best of balanced growth. They are the real estate industry's first response to the draft Downtown Guidelines released by the Boston Redevelopment Authority last year. Each of these projects represents excellence in urban design. They are modest in scale - not one is over 170 feet in height - and sensitive to their surroundings. Each fits the context of its particular location, while not imitating past architectural periods. Most importantly, these projects will expand economic opportunity for the citizens of Boston.

The BRA's draft Downtown Guidelines were released in a series of publicly advertised meetings with community groups, business people, public officials, and local architects and designers during the summer of 1985. These Guidelines called for smaller buildings with more public benefits. The real estate market can produce such projects because of the demand for small buildings in Boston's office economy. There currently exists in Boston's office economy one market composed of a few large banking, insurance, and money management firms occupying new, larger office towers, and one market made up of small firms in business and professional services which tend to lease space in small new or renovated buildings. Over half of Boston's downtown office employment already comes from this second market, and these smaller firms are growing more rapidly than the largest firms. Smaller firms prefer space in smaller buildings because it is generally less expensive and more flexible (shorter lease terms, easier expansion) than premium space in tall office towers. Thus in downtown Boston the demand for small office buildings is growing and the real estate market is eager to supply space to meet this demand.

Last year's draft Downtown Guidelines also called for greater public benefit from new development. These new small projects will produce two basic kinds of public benefit. Economically, they will permit employment growth in a rapidly expanding sector of Boston's economy. Most importantly, because this part of Boston's office economy employs a greater proportion of Boston residents in all job categories, particularly in jobs that pay better than those in the largest firms and buildings, this employment expansion will benefit more Boston residents. Thus the physical renewal of the city will increase economic opportunity for its citizens.

The second type of public benefit is the contribution these building make to the public realm, those aspects of the environment which are visible or accessible to the public. The public realm is a concept of place including areas commonly considered public such as parks, tree-lined boulevards, sidewalks, and streets, and privately owned areas or features which are by their nature, function, or impact, are publicly accessible. Such areas or features include the design of buildings, their lobbies and connecting passageways, the materials used to build them, the spaces their walls create, and the amount of sun, light, and air in those spaces.

These projects contribute to the public realm in many ways. Their use of materials is consistent with those which predominate in their respective areas. For example Parkside West will be constructed in brick and limestone, materials which already predominate along the Common frontage. The project includes

ample detailing and belt courses of stone at various levels to give the structure a rich, textured facade comparable with detailing on older buildings in nearby blocks.

Another important contribution to the public realm is improving public spaces and pedestrian connections within and around the project sites. At 110/120 Tremont Street for example, public passageways through the building will relate to and reinforce the system of intimately-scaled alleyways that already exists around Bromfield Street and Hamilton Place. High quality paving material will be used on Hamilton Place to make it more attractive to pedestrians.

In addition, these projects contribute to the street by using setbacks to relate the base of the new building in height and composition to adjacent, lower structures. In the historic Custom House area, the project planned at 20 Custom House Street is carefully designed to relate to several federal-style brick buildings designed by Charles Bulfinch. The building is set back to correspond to the cornice of the adjacent Bulfinch structures, and its granite facade aligns with the storefronts of the Bulfinch buildings. In those projects where rooftops are easily seen by people in nearby taller structures, mechanical space is integrated into the design. At One Faneuil Hall Square, for example, an elegant copper roof completely encloses the building's mechanical systems and in both Custom House Street projects mechanical space is "wrapped" by office space.

In most cases both the height and massing of the projects in this report have been reduced during review by the BRA. In some instances changes have been quite large. 101 Merrimac Street was reduced in height by a third. In other cases changes were small but crucial. One Faneuil Hall Square was reduced by only two stories, but its height is now compatible with the Quincy Markets buildings and Faneuil Hall. At 745 Atlantic Avenue the height and mass were reduced and the South Street facade was set back at a 90-foot cornice to relate to other Leather District buildings along South Street.

None of the projects highlighted in this report detract from the public realm. They are considerably smaller than projects typically proposed for downtown locations in the past. None of the projects rise above 17 stories or 168 feet in height: the average height is 133 feet and the average number of stories is 11. None of these projects use glass or reflective materials; instead they use brick, granite, and limestone, materials which are compatible with historic Boston. None will buffet pedestrians with high winds or close their entrances with uninviting facades. These projects will be elegant, appropriate, and active: they are all excellent examples of urban planning and design.

This report is intended to show, by example, how downtown growth can be balanced to provide economic and aesthetic benefits. To ensure that future downtown projects provide these benefits as well, Mayor Raymond L. Flynn has proposed establishing a Boston Civic Design Commission. The Design Commission would be established through an amendment to the Boston Zoning Code, a draft of which is attached to this report as Appendix 2. The Commission's powers and responsibilities are briefly summarized here:

- o The Commission's jurisdiction will include large-scale and other significant public and private projects, as well as design guidelines for particular districts or areas.
- o The Commission will receive copies of schematic plans at a very early stage in each project's design. The Commission will then make recommendations to the Mayor and the BRA as to the approval, the need for modification or further review, or the disapproval of submitted designs.
- o On every matter submitted to the Commission a public meeting will be held. If two-thirds of the Commission votes to disapprove of the schematic design of a project or district guidelines, the city or BRA would consider whether a redesign or redrafting will be required.

With the establishment of the Commission, important decisions affecting Boston's public realm will be made in an open public forum. Moreover Boston's design professionals, who daily study Boston's unique urban fabric in their work, will review the city's decisions to ensure that the precious resources that constitute Boston's public realm are not destroyed. Early, effective cooperation between the public, the city, and the design community will produce the best possible urban design choices for Boston.

DEVELOPMENT MAGNITUDE

Project	Size				Floor Area Ratio	Height	
	GSF (000s)	Office (000s)	Retail (000s)	Residential (000s)		Stories	Feet
20 Custom House Street	160.0	142.7	17.3	--	8.50	12	140
21 Custom House Street	95.0	85.5	9.5	--	8.60	10	120
745 Atlantic Avenue	174.9	157.7	6.4	--	8.20	11	135
110/120 Tremont Street	430.0	410.0	20.0	--	9.10	12	168
101 Merrimac Street	171.3	164.0	7.3	--	8.97	10	124
Parkside West	95.3	--	5.7	89.7	13.50	17	155
One Faneuil Hall Square	51.3	34.6	16.7	--	8.53	7	86
TOTALS	1177.8	994.5	82.9	89.7			

ECONOMIC BENEFITS

Project	Cost	Revenues		Jobs	
	Total Development (000s)	Net New Taxes (000s)	Linkage Payments (000s)	Permanent	Construction
20 Custom House Street	\$ 34,000	\$ 758.9	\$ 300.0	621	358
21 Custom House Street	18,000	405.9	--	371	190
745 Atlantic Avenue	25,000	575.4	300.0	659	263
110/120 Tremont Street	93,000	1,893.0	1,800.0	1,597	979
101 Merrimac Street	22,000	529.9	329.2	687	232
Parkside West	20,000	225.9	--	14	211
One Faneuil Hall Square	10,775	235.4	--	178	113
TOTALS	\$222,775	\$4,624.4	\$2,729.2	4,127	2,346

Economic Context



ECONOMIC CONTEXT

Introduction

In 1984-1985, Boston had the highest level of office construction per capita of the nation's 20 largest cities. With an economic base attuned to sectors expected to grow more rapidly nationally, Boston has good prospects of gaining an additional 50,000 jobs by 1990. Until now, however, the economic gains associated with Boston's development boom have not directly reached its low and moderate income residents. The majority of new jobs created in the past decade have gone to metropolitan residents. However, research into Boston's office economy reveals that it is segmented by employment size and that smaller firms tend to have a greater share of Boston resident workers than large firms. Downtown Projects II are smaller office buildings which could supply the needs of that component of the Boston office economy that is growing most rapidly, which generally offers higher paying jobs, and has a greater share of Boston resident workers.

An analysis of office space demand and supply suggests that the projected 9.7 million square feet increment in supply 1986-90 would be readily absorbed with vacancy rates rising from 8.6% in first quarter 1986, to 9.5% in the fourth quarter 1987, peaking at a moderate level in fourth quarter 1988, (12.4%) and resuming a decline, thereafter, to a very competitive rate by year-end 1990 (9.0%). Office space absorption is projected at 1.6 million square feet annually, with an average yearly increase of 7,300 net new office jobs. In effect, Downtown Projects II would meet the needs of an expanding Boston economy including the very special needs of that part of the office economy segment which is counted on for more rapid growth, better jobs and a larger share for Boston residents.

In addition, the public benefits from Downtown Projects II are considerable. Approximately 4,100 new permanent and 2,300 new construction jobs would be realized. New property tax revenue would amount to approximately \$4.6 million, while jobs training and housing linkage would amount to over \$2.7 million.

The approval of these smaller commercial buildings represents an effort to manage Boston's extraordinary growth in such a way as to direct economic benefits and improve the quality of life of Boston's residents. In the past, Boston has witnessed periods of "no growth", that is a situation where generally people's economic position stayed the same, as well as periods of "uncontrolled growth" where the gap between rich and poor widened. Clearly, Boston must have managed growth where benefits are transferred and great economic disparities ameliorated. Downtown Projects II represents managed growth. These buildings will house smaller firms which are currently growing most rapidly and which are in danger of displacement as their leases expire over the next five years. In addition, on average they house more Boston resident workers in higher skilled and higher paying positions.

I. Boston's Office Economy

Boston's expanding office economy has facilitated the city's expanding role as a center for corporate headquarters and major business branches in the banking, insurance and telecommunications industries. It has enabled Boston to host a growing number of architects, engineers, lawyers and accountants as well as business and professional services activities, including money management firms. It has also brought an annual average wage in Boston (1981-1984) that is higher than that in both the metro area and the state.

However, the emergence of an office market which is segmented presents a cause for concern. Boston's office economy is predominantly made up of (1) a large number of small and medium sized firms concentrated primarily in business and professional services activities, frequently housed in smaller office buildings, and (2) a few very large firms in banking and insurance, utilities and telecommunications, occupying, principally, the very large towers.

Employment in that segment of the large banking, insurance and telecommunications firms with 1,000 or more workers has been declining. These firms have a larger proportion of clerical and support service jobs, a smaller share of Boston resident workers, and make up the principal tenants of the very large, office towers. Small and medium size firms, in contrast, are the most rapidly growing sector of the office economy.

Newly available information on Boston firms, by employment size class and economic sector provide an extraordinary profile of Boston's office economy (in 1983) and how it has changed since 1976 (U.S. Bureau of the Census, County Business Pattern, 1976 and 1983).

In office-related business activities, 44 firms, with 500 or more employees had 62,000 workers making up one-third of all office jobs in 1983. This was complemented by 6,600 firms with 1 to 49 employees and a total of 49,800 jobs (27% of the total), 464 firms with 50 to 249 employees and 53,000 jobs (28% of the total), and 60 firms with 250 to 499 employees and 22,220 jobs (12% of the total).

From 1976 to 1983, a period of broad expansion of Boston's economy, office-related business activity grew by 907 firms and 28,100 jobs. Employment in business and professional services activities gained 21,765 jobs, an increase of 40 percent. Finance and insurance firms had an employment increment of 10 percent. And telecommunications and utility firms had an employment loss of 1 percent to 1983.

The differential economic sector growth rates are significant for development policy because of related differences in firm size. Office related business firms with 500 or more workers, had a net loss of 4,600 workers in the 1976-83 period. In finance and insurance, this size class lost 4,250 jobs; in utilities and telecommunications, this size class experienced a reduction of 1,330 jobs in the 1976-83 period.

In contrast, the greatest concentration of employment and job growth occurred in the small and medium sized business and professional services activities firms. From 1976 to 1983, business and professional services activities firms with less than 500 workers had a net gain of 20,780 jobs, making up 74 percent of the total advance in office jobs in Boston. In business and professional services activities, the distribution of employment by size class, in 1983, showed 36 percent of all jobs in firms of less than 50 workers, 33 percent in establishments of 50 to 249 workers, and 15 percent in firms of 250 to 499 workers. These are the firms for which a downtown presence is important and is preferred.

Looking to the future, to 1990, small and medium size office-related business (those with less than 500 workers) are expected to account for 93 percent of the gain of 34,000 jobs anticipated. Business and professional services activities firms would be the fastest growing sector, increasing by 25 percent, in comparison with 19 percent for finance and insurance, 3 percent for telecommunications and utilities, and 18 percent for office related businesses as a whole.

Business and professional services firms would account for 57 percent of the total projected employment growth in all office-related business activity to 1990. By 1990, the greatest concentration of office employment (31%) would be in firms of 250 to 499 workers. In the case of business and professional services, 35 percent of the jobs would be in firms of less than 50 workers, 35 percent in establishments of 50 to 249 workers, and 16 percent in firms of 250 to 499 workers.

These prognoses are based on employment projections described elsewhere in this report, and draw on long-range projections of national employment by industry, by the U.S. Bureau of Labor Statistics (Employment Projections to 1995), the U.S. Bureau of Economic Analysis (1985 OBERS BEA Regional Projections, Volume 2 Metropolitan Statistical Area Projections), an econometric model of the Boston economy commissioned by the Boston Redevelopment Authority, and research reports of the Boston Redevelopment Authority. Employment projections by economic sector have been further articulated taking note of the 1976-1983 trends by firm size class.

The Largest Office Leasing Deals, 1985-86

A recent report on the "25 Largest Office Leasing Deals, January 1985 - March 1986" may provide a preview of Boston's office market, 1986 - 1990 and help to show how the segmented office market relates to space that is leased. The 1,965,000 square feet leased represents an annual rate of 1.6 million square feet. The leases accommodate an estimated 9,000 workers, and divide about equally, in square footage, in (1) banking, insurance, telecommunications and mutual funds, and (2) law, accounting, consulting, bio-med and a state agency. The leased space ranges from 38,000 to 200,000 square feet, accommodating a range of 173 to 909 workers. The space leased by the banking, insurance and telecommunications firms could absorb a range of 173 to 345 workers; that for business and professional services firms, a range of 227 to 682 workers. The median space size would suit 340 workers. Twenty of the twenty-five buildings are 1984, 1985, 1986 and 1987 vintage; two were completed in 1982, one in 1975, one in 1968 and one in 1965 - the Prudential Tower. (Source: Boston Business Journal, March 31, 1986)

II. Survey of Workers in Smaller Office Buildings

In March 1986, the BRA conducted a postcard survey whose purpose was first, to determine the rate of Boston residency among workers in the City's office buildings; and second, to assess the characteristics of the office workers in terms of their industry of employment, and occupation, and journey to work.

Twenty buildings were selected, ranging in size from 80,000 to 300,000 square feet. Half the buildings sampled had been constructed after 1960; the rest were rehabilitated, older buildings. Postcard survey questionnaires were distributed on four consecutive days. Of 1890 questionnaires distributed, 777 were returned (41%). The survey yielded the following results:

- o Of workers employed in smaller Downtown office buildings, 25.6 percent are Boston residents.
- o 52 percent of the surveyed workers in smaller office buildings are in finance, insurance and real estate firms and 38 percent are in business and professional services industries, (law, accounting, engineering and architecture and marketing, advertising, public relations, personnel and data processing).
- o Proportionally more workers in smaller office buildings are in professional/technical occupations (50.6%) than is the case in all office jobs (34%) or in all jobs in Boston (36%); 14 percent are in sales; 28.2 percent are in clerical and 7.2 percent are in maintenance and service.
- o Of those workers who moved into the City as a result of securing employment there (29 percent), 63 percent are in professional/technical occupations.
- o Non-residents show a slight tendency towards working in new buildings, while Boston residents tend to work in rehabilitated buildings.
- o Boston residents prefer walking to work over other modes of transportation.
- o Non-residents in all occupational categories use the MBTA as their most frequent mode of traveling to work.

Some implications may be drawn from these numbers. First, the competition for housing among Boston's workers is increasing as the supply of office space expands. Second, both increased demand and professionalization of the workforce are driving up the price of housing so that the stock of moderately priced housing is diminishing. Third, those who are being displaced or priced out of the Boston market are the low-skilled, low income workers for whom living in close proximity to their work is becoming less of an option. Of those who moved into Boston because of a job there, fewer were clerical and support service workers.

The survey attempted to establish relationships between Boston residency and building characteristics. Workers in smaller office buildings were more often Boston residents (26%) than those in large office buildings (22%). A slight relationship also exists between residency and the age and condition of the building where the worker is employed. Boston residents tend to work in rehabilitated office buildings and non-residents tend to work in new office buildings. Another aspect of residency addressed by the survey was commuting patterns. For Boston residents the preferred mode of travel for getting to work is on foot. Thirty-four percent of Boston's resident workers walk to work.

Other workers drive (3.4%), take a bus (4.9%), ride the MBTA (31.9%), take the commuter rail (2.5%), or use a combination of modes of travel such as auto and commuter rail or bus and M.B.T.A. (21.6%).

Non-residents use a variety of transportation modes, including: commuter boats, van pools, bikes and motorcycles.

A breakdown of commuting patterns into employment groups reveals that 71 percent of those who walk to work are professional/technical or sales workers. This suggests a pattern of increasing professionalization of Downtown Boston as it impacts housing as well as employment.

III. Boston's Office Market 1986-90

An analysis and projection of Boston's office market 1986-1990 shows that office space supply would be closely correlated with office space demand (absorption), taking into account the known inventory of office construction, the outlook for office employment, and requirements for office upgrading and replacement. From 1986 through 1990, 9.7 million square feet of office space are scheduled to be delivered to the market, while 8 million square feet of space would be absorbed. Vacancy rates should drop to a low of less than 8 percent by year end 1986 peak at 12 percent briefly in 1988 and then fall to 9 percent by 1990. The large increment in office supply due to be completed in 1987 and 1988 will drive up vacancy rates temporarily but Boston's steadily growing office employment would parallel office development through 1990.

A detailed analysis shows the relative balance between supply and demand. Over the five year span 1986-90 9.7 million square feet of new, converted, and major renovated office space should be added to the stock. Additions to supply include 5.7 million square feet from 9 major projects endorsed in Fall 1984, 1.1 million square feet from the projects in this report, and 2.9 million square feet of 20 other new, converted, and renovated office buildings of smaller scale and at scattered sites downtown scheduled to come on to the market by year-end 1990. Completions will be fewer in 1986, 1989, and 1990 and greater in 1987 and 1988.

Demand for office space is projected at 1.6 million square feet annually (equal to that of 1985 but less than 1984's 2.4 million) totalling 8 million square feet over five years. This allows for employment growth as well as space upgrading and replacement needs for obsolete buildings. Office space pre-leased before 1986 would add nearly 800,000 square feet to total absorption.

Consequently, the growth of supply and demand should be in balance through 1990. Rental rates may not increase very much over this time period in view of the demand-supply balance which may have a moderating effect after the near tripling of average rents between 1977 and 1985. Boston's overall office market would be one of the better markets in the nation as the projected peak vacancy rate in 1988 (12%) is lower than the current national city median (14%). In sum, Boston should remain a top quality office market with supply accommodating employment growth but not outstripping demand.

Office Market Supply

On the supply side, the inventory of office space to be completed from 1986 through 1990 is a known quantity and is not likely to be subject to significant variation in view of (1) the time scale of the review and construction process and (2) the city's role in monitoring the development market to achieve balance.

Only projects which will add new or renovated unoccupied office space are included in the inventory of supply. For rehabilitated or converted space only buildings of greater than 20,000 square feet are included. The square footage size reported is usually gross space rather than net rentable space.

In summary, the supply of office space delivered from 1986 through 1990 represents a diversity of new and renovated projects both large and small. The next five years will be a time of one of the largest expansions of office supply in Boston's history. Firms requiring space should have a good choice of quality space.

Office Market Demand

On the demand side, projections of future absorption of office space are made on the basis of employment projections, monitoring of pre-leasing activity, and allowances for upgrading and replacement of existing space. In total, absorption is projected at an annual rate of 1.6 million square feet annually due to pre-1986 pre-leasing activity.

A growth of 50,000 new Boston jobs from 1986-1990 is projected. Utilizing ratios of office employment by industry, an estimated 35,000 new office jobs would be created over the next 5 years. At 220 square feet of office space use per worker, a baseline estimate of 7.7 million square feet of additional space would be required. Upgrading of office space standards to higher quality, and replacement of obsolete space lost to demolition, or total renovation, represent important elements of future office demand. The upgrading of older buildings to modern use generally attracts firms which use the space more generously thus increasing the existing ratios of square feet per worker over time. Replacement of obsolete office buildings occurs as older buildings are demolished or taken out of use so that even firms, without expanding employment, enter the existing market for office space. These factors add an estimated 2,000,000 square feet of demand for a total projected, annual absorption rate of 1.6 million square feet.

Public Benefits - Downtown Projects II

<u>New</u> <u>Tax Revenues</u>	<u>Jobs</u>		<u>Payroll</u>	
	<u>Permanent</u>	<u>Construction</u>	<u>Annual</u>	<u>Construction</u>
\$4.6 Million	4,127	2,346	\$88.2 million	\$65.1 million

Benefits in Perspective

While the tax and job benefit numbers for these development projects do not rival the corresponding quantities of the earlier phase of Downtown Projects, the quality of these fiscal and economic benefits remains high in view of the related job training programs.

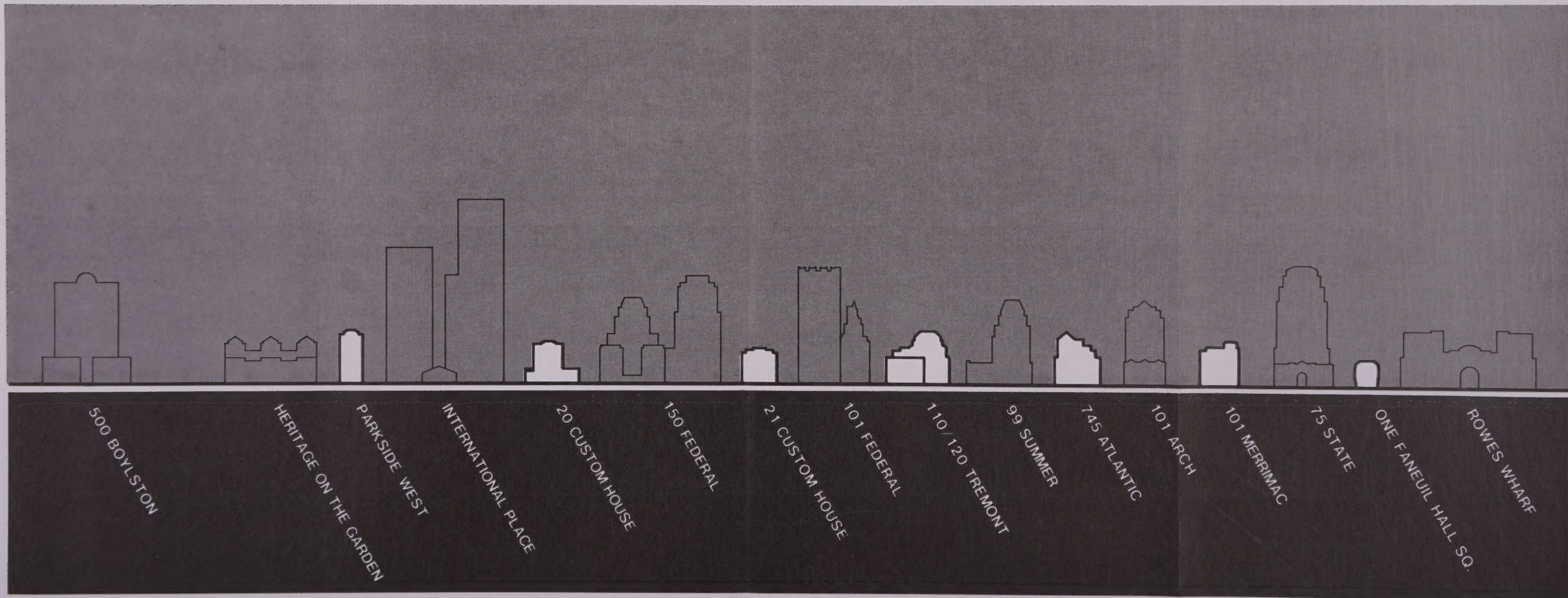
1. The rates at which building space yields jobs, payroll, and taxes meet the same standards of the larger projects. While the 100,000 square foot linkage "exemption" reduces the linkage benefit "rate" for these smaller projects they will be among the first to contribute to the job training linkage fund.
2. A greater proportion of both permanent and construction jobs and payroll will go to Boston residents. Mayor Flynn's 1985 Executive Order on Resident Construction Employment Standards and the proposed new Boston Fair Employment Commission will secure more of these job opportunities for Boston's workforce, especially women and minorities. Since only about one-fourth of Boston's downtown office jobs presently go to city residents, the new 50 percent standard will double the significance of these 4,127 new permanent jobs.
3. The total economic impact of construction and permanent job payroll will be increased by the higher degree of local respending of this money. As resident income rises through the increased share of job growth, the businesses of Boston's shops and service providers will rise also. Rather than "trickling down", this money will be injected into the neighborhoods in the most effective way possible - in resident's paychecks.
4. The timing of these job, income, and tax benefits follows closely on society's need to replace the declining role of the Federal government in fields of job training and employment opportunity, revenue sharing and aid to local governments, affirmative action in hiring, and affordable housing.

Although the \$4.6 million of new annual tax revenue that these projects will pay is only about one percent of the City's present property tax revenue, its true significance lies at the budget cutting edge of controllable expenditures. For example, this sum is almost what it costs to run the Suffolk County Jail. It is over three times the Library Department allowance for books, supplies, and materials.

Project Descriptions



Downtown Projects II



20 CUSTOM HOUSE STREET



20 CUSTOM HOUSE STREET

20 Custom House Street is planned to be a new twelve-story office building, including an office/mechanical penthouse, located in Boston's historic Custom House District.

On the street that housed the original United States Custom House, Jaymont Properties, Inc. will construct a first-class office and retail project designed to be in harmony with both nearby 19th-century merchant buildings and the early 20th-century "skyscrapers" on Broad and India Streets.

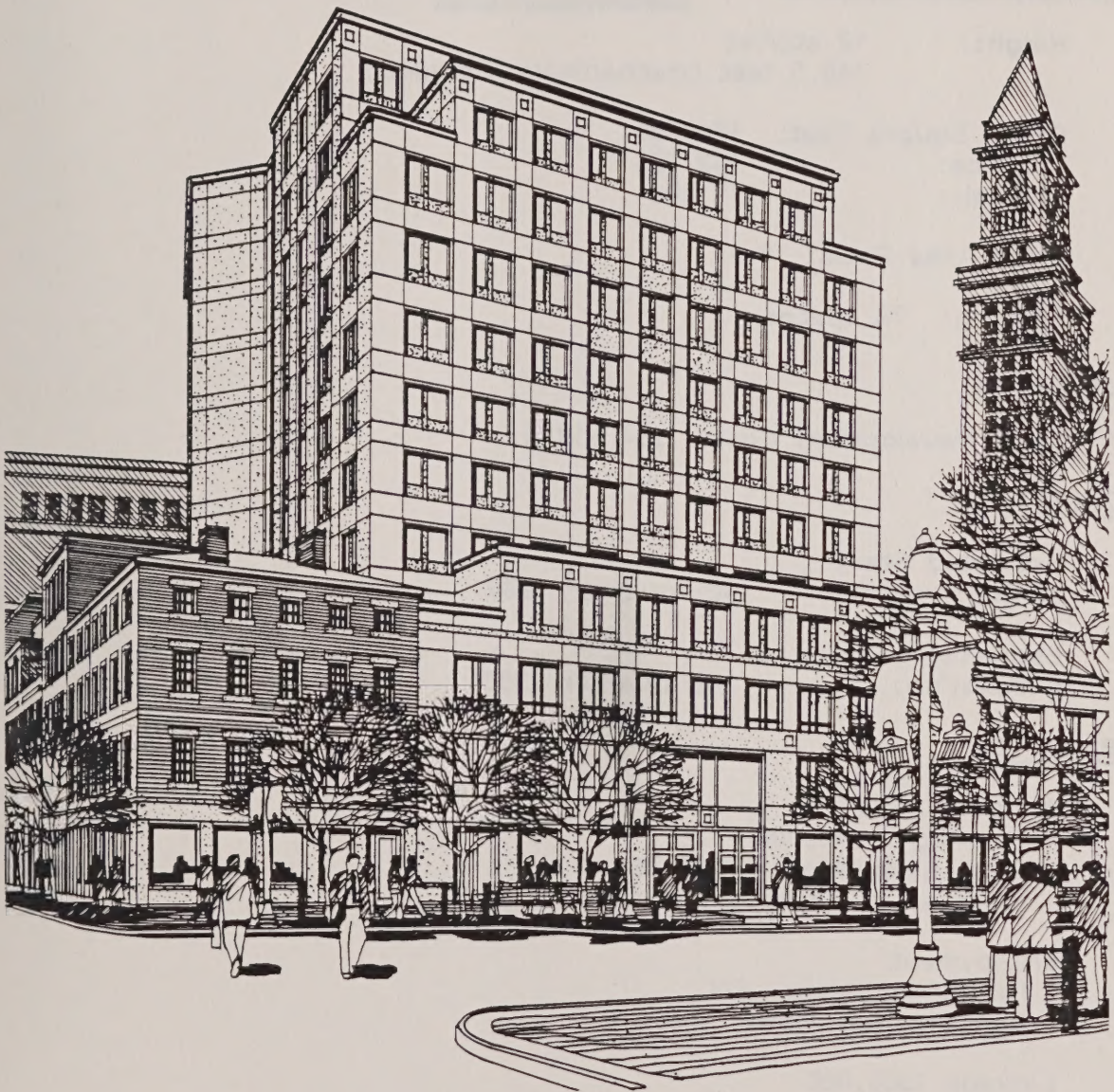
The project is an infill structure among several historic, federal-style brick buildings, which will be restored as part of the project. These were part of the original 1806 Broad Street Association development, designed by Charles Bulfinch. A one-story rusticated granite facade aligns with the storefronts of these "Bulfinch Buildings," additionally emphasizing the continuity of the facades. The building is to rise to a parapet setback height of 120 feet, 6 inches. Another setback corresponds to the cornice of these adjacent four-story buildings.

Entries to the building will be from Broad Street and Custom House Street. Custom House Street is to be completely redesigned with a minimum travel lane, brick sidewalks, large trees, decorative street lights, and exhibit kiosks displaying information about the Custom House District. The entries will lead to a central elevator lobby under a dramatic two-story space. This connection will permit pedestrian traffic to utilize the ground level of the building as an enclosed passageway. The experience will be enhanced by the retail activities that are connected to the lobby and open out to Milk, Broad and Custom House Streets.

In keeping with the area's character, granite masonry will be used in a variety of different tones and finishes. The basic fenestration is to be comprised of a pair of rectangular windows in scale with the neighboring 19th-century buildings, while the larger opening is more contextually related to the nearby 20th-century buildings such as the Grain Exchange and the Batterymarch Building. The window frames will have a painted finish which will further enliven the facades.



20 CUSTOM HOUSE STREET



20 CUSTOM HOUSE STREET

DEVELOPMENT TEAM

Developer: Jaymont Properties
Architect: Bruner/Cott Associates, Inc.

PARCEL DESCRIPTION

Location: Bounded by Milk, India, and Broad Streets
Size: 17,681 square feet

PROJECT DESCRIPTION

Height: 12 stories
140.5 feet (mechanicals included)

Gross Square Feet: 160,000
Office: 142,735
Retail: 17,265

Floor Area Ratio: 8.5

Parking: 73 spaces

FINANCING

Total Development Cost: \$34 million

SCHEDULE

Estimated Start
of Construction: 4th quarter 1986

Estimated
Completion: 2nd quarter 1988

BENEFITS

Annual Taxes
Existing: \$40,000
Upon Completion: \$798,864
Increase in Taxes: \$758,864

Employment
Permanent Jobs: 621
Construction Jobs: 358

Linkage \$300,000

21 CUSTOM HOUSE STREET



21 CUSTOM HOUSE STREET

Across the street from 20 Custom House Street, a new ten-story office building, including an office/mechanical penthouse will be built by Jaymont Properties.

The building is to rise to 120 feet with a parapet setback height of 99 feet 6 inches. A two-story base with a third floor "piano nobile" expression corresponds to the articulation of the base of the neighboring Grain Exchange and Insurance Exchange Buildings.

Entries to the building will be from India Street, Franklin Street, and redesigned Custom House Street. The entries will lead to a central elevator lobby under a dramatic two-story space.

The building will be clad with a granite masonry skin in a range of tones and finishes emphasizing the relationship with the Grain Exchange Building and other nearby granite and limestone buildings.

The development will have highly articulated facades with a combination of individual and vertically grouped window openings in a fenestration pattern similar to that proposed for 20 Custom House Street.

Tenant parking will be provided in a two-level underground garage accommodating 47 spaces. Entry to the parking garage as well as the service area will be off Franklin Street. Loading and service will take place entirely within the confines of the building.



21 CUSTOM HOUSE STREET



21 CUSTOM HOUSE STREET

DEVELOPMENT TEAM

Developer: Jaymont Properties
Architect: Bruner/Cott Associates, Inc.

PARCEL DESCRIPTION

Location: Bounded by India, Franklin, and Well Streets
Size: 10,468 square feet

PROJECT DESCRIPTION

Height: 10 stories
120 feet (mechanicals included)

Gross Square Feet: 95,000
Office: 85,500
Retail: 9,500

Floor Area Ratio: 8.6

Parking: 47 spaces

FINANCING

Total Development Cost: \$18 million

SCHEDULE

Estimated Start
of Construction: 4th quarter 1986

Estimated
Completion: 1st quarter 1988

BENEFITS

Annual Taxes
Existing: \$ 17,000
Upon Completion: \$422,928
Increase in Taxes: \$405,928

Employment
Permanent Jobs: 371
Construction Jobs: 190

Voluntary contribution: \$225,000 for housing
for the homeless

745 ATLANTIC AVENUE



745 ATLANTIC AVENUE

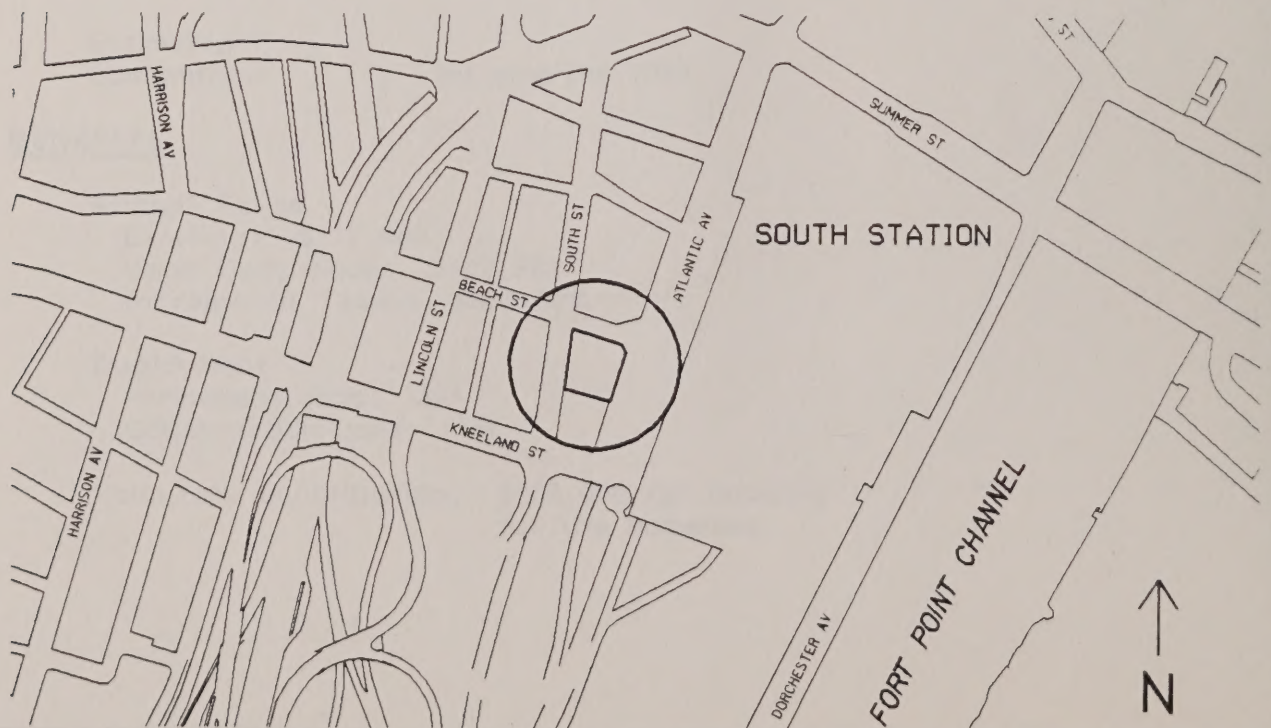
745 Atlantic Avenue will replace a parking lot and a vacant two-story building with an elegant new structure which will provide active retail uses at street level and class A office space above. In addition, 153 parking spaces will be provided in three below grade levels.

The project, originally proposed with an FAR of nine and a height of 190 feet, was scaled down to an FAR of just over eight and overall height of 135 feet (excluding mechanical space) during the BRA's design review process. This permits the upper stories to be set back at a 90 foot cornice height along South Street and the additional height shifted toward Atlantic Avenue. The existing uniform character of South Street will be enhanced by infilling of the vacant lot.

At the corner of Atlantic Avenue and Beach Street the asymmetrical massing is completed by a 10-story tower which will mark the corner entrance to this building and establish a visible presence from South Station and Dewey Square.

Public space improvements associated with this project include brick sidewalks and street trees along Atlantic Avenue, Beach, and South Streets. In addition, the main entry will feature granite planters with seasonal flowers and edges suitable for informal seating. The Atlantic Avenue sidewalk will also be widened as part of the overall improvement plan for the Dewey Square/South Station area.

745 Atlantic Avenue's brick and granite facade, its detailing, overall massing, and recessed windows together produce a building which conforms well to the 19th-century buildings in the Leather District. At the same time, the architects have succeeded in creating a building of its own time. The result is an exemplary contextual design and a fine addition to Boston's streetscape.



745 ATLANTIC AVENUE



745 ATLANTIC AVENUE

DEVELOPMENT TEAM

Developer: Trammell Crow Company
Architect: The Stubbins Associates

PARCEL DESCRIPTION

Location: Bounded by Beach and South Streets
Size: 19,750 square feet

PROJECT DESCRIPTION

Height: 11 stories
90 feet to cornice along South Street
135 feet

Gross Square Feet: 174,875
Office: 157,723
Retail: 6,402
Other: 10,750

Floor Area Ratio: 8.2

Parking: 153 spaces

FINANCING

Total Development Cost: \$25 million

SCHEDULE

Estimated Start
of Construction: 3rd/4th quarter 1986

Estimated
Completion: 1st/2nd quarter 1988

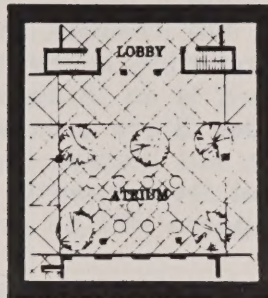
BENEFITS

Annual Taxes
Existing: \$12,000
Upon Completion: \$587,400
Increase in Taxes: \$575,400

Employment
Permanent Jobs: 659
Construction Jobs: 263

Linkage: \$300,000

110/120 TREMONT STREET



110/120 TREMONT STREET

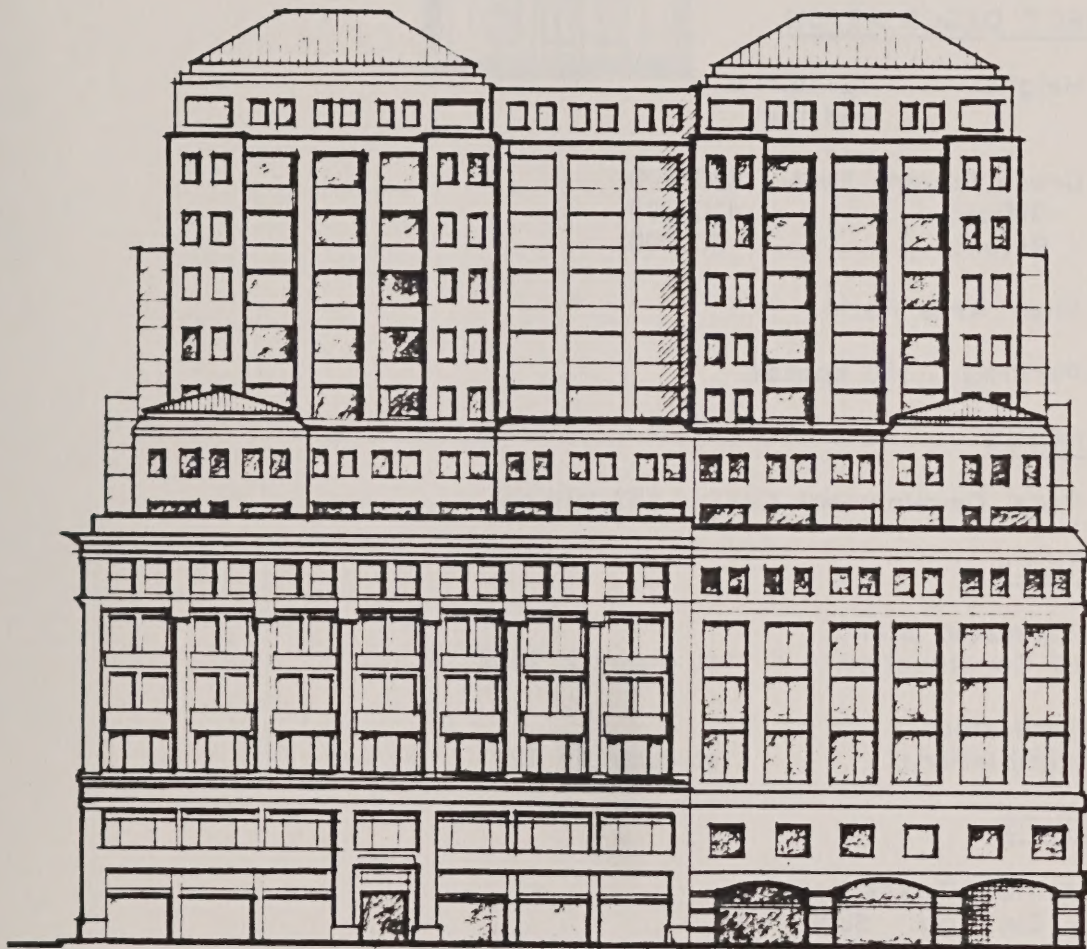
The proposed redevelopment of the Tremont Street block between Hamilton Place and Bromfield Street combines restoration and new development to provide approximately 400,000 square feet of retail and office space. The historic New Studio Building at 110 Tremont Street will be renovated while a new structure will replace the building currently located at 120 Tremont Street. The 110 Tremont building is an integral part of the character of Tremont Street and of the Ladder Block area adjacent to the Boston Common. The ground floor of the project will include higher grade retail shops and lobbies which will improve street level quality. Office use will occupy the upper floors and 150 parking spaces will be provided at basement level.

The twelve-story building, 168 feet high, is carefully designed to enhance the traditional character of Tremont Street. New construction will match the height and reinforce the spirit of the architectural detailing of the renovated building. Above the cornice line of the streetwall, the building mass will be set-back substantially. This design feature will insure that additional shading of the Granary Burial Ground will be minimal, that the character of the area will be retained when the building is viewed from the Boston Common, and that Tremont Street will continue to have its traditional scale. Mechanical equipment will be integrated into the rooftop design.

Street level improvements will significantly enhance the neighborhood. Hamilton Place, with its charming vista of the Park Street Church steeple, will be upgraded with lighting and quality paving to encourage increased pedestrian use. Public passageways through the lobby connecting Tremont and Bromfield Streets and Hamilton Place will reinforce the system of pedestrian streets, provide weather protection and enhance the intimate, fine-grained scale that characterizes better downtown pedestrian environments.



110/120 TREMONT STREET



110/120 TREMONT STREET

DEVELOPMENT TEAM

Developer: Mr. Max Kargman
Architect: Childs Bertman Tseckares and Casendino, Inc.

PARCEL DESCRIPTION

Location: Bounded by Hamilton Place and Bromfield Street
Size: 40,074 square feet

PROJECT DESCRIPTION

Height: 12 stories
168 feet

Gross Square Feet: 430,000
Office: 410,000
Retail: 20,000

Floor Area Ratio: 9.1

Parking: 150 spaces

FINANCING

Total Development Cost: \$93 million

SCHEDULE

Estimated Start
of Construction: 1st quarter 1989

Estimated
Completion: 1st quarter 1991

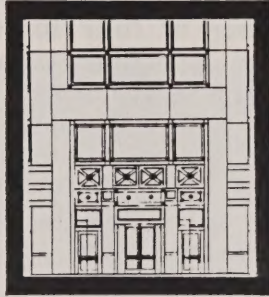
BENEFITS

Annual Taxes
Existing: \$292,150
Upon Completion: \$2,185,128
Increase in Taxes: \$1,892,978

Employment
Permanent Jobs: 1597
Construction Jobs: 979

Linkage: \$1,800,000

101 MERRIMAC STREET



101 MERRIMAC STREET

The project proposed for 101 Merrimac Street is located in the Bulfinch Triangle area which was originally laid out by Charles Bulfinch as one of Boston's many landfill projects in the early 1800's. The Triangle is today characterized mainly by a number of four to nine story industrial structures. These predominantly brick, iron and granite structures have strong beaux arts and Richardsonian Romanesque styles which were popular at the turn of the century and together they form an historic district with a distinctive atmosphere.

The site of 101 Merrimac Street is currently an open parking lot between Portland and Merrimac Streets at the corner of Lancaster.

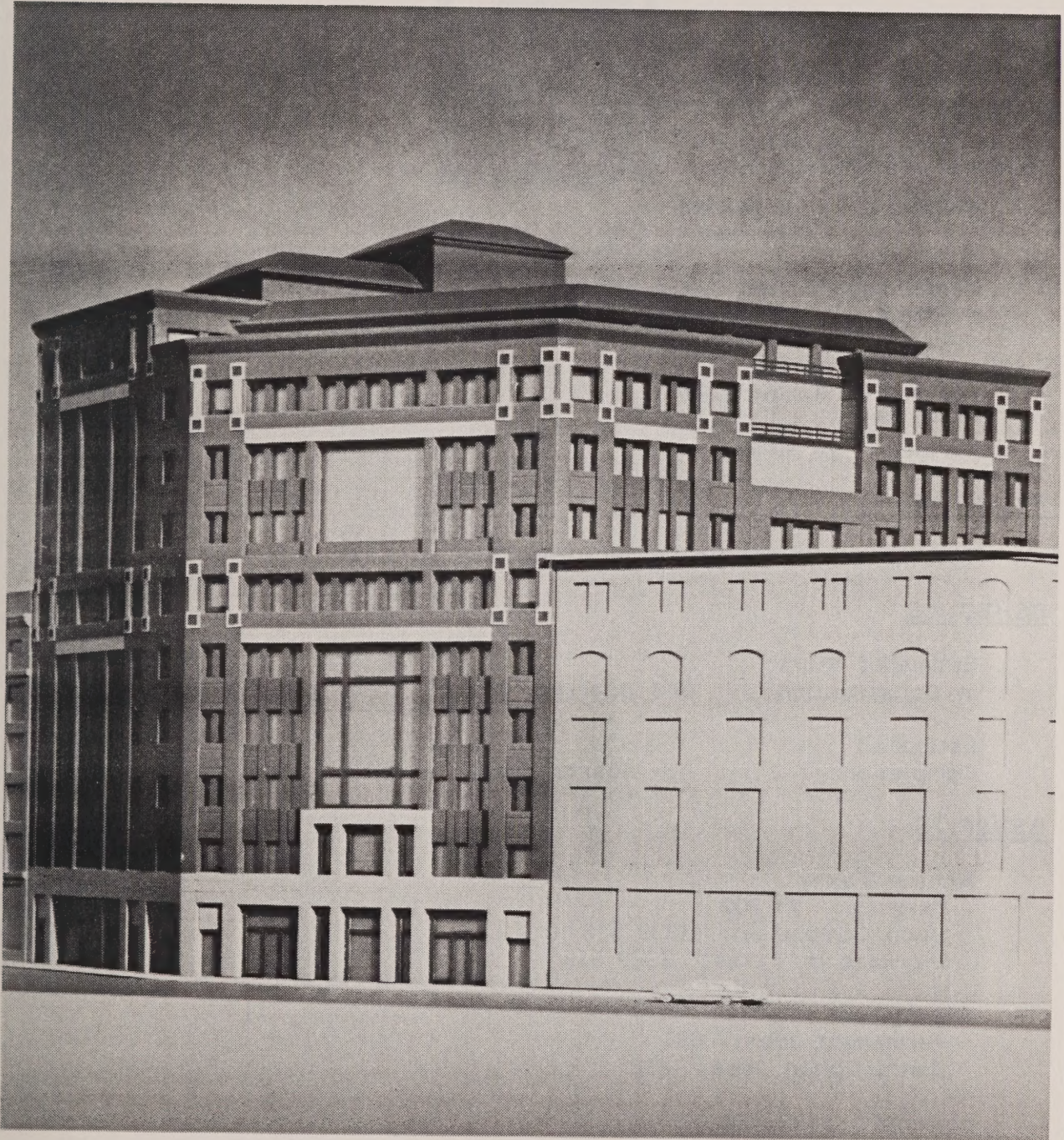
The building, originally proposed as a 15-story structure as tall as the 186-foot GSA building on Causeway Street, was reduced by one-third to 124 feet to reflect the consistently lower scale of the historic Bulfinch Triangle. The tenth floor is set back almost half the length of the building in a massing strategy which considers a procession of heights, as one walks down Merrimac or Portland Streets, from 3½, to 6, to 9 and 10 stories at 101 Merrimac.

A careful analysis of the surrounding buildings was done by the architects, TAC of Cambridge, and as a result, the building's brick, granite, and limestone facade is detailed with extreme sensitivity. The building will maintain the area's scale and architectural vocabulary and regain the site's lost streetwall.

Ground floor retail space is dispersed about a new through-block connection and a magnificent five-story interior atrium lobby whose detailing draws from its industrial surroundings. First class office space will occupy the upper floors.



101 MERRIMAC STREET



101 MERRIMAC STREET

DEVELOPMENT TEAM

Developer: LM Associates Limited Partnership
Architect: The Architects Collaborative, Inc.

PARCEL DESCRIPTION

Location: Bounded by Portland Street and Lancaster Street
Size: 18,494 square feet

PROJECT DESCRIPTION

Height: 10 stories
124 feet

Gross Square Feet: 171,250
Office: 163,950
Retail: 7,300

Floor Area Ratio: 8.97

Parking: 70 spaces

FINANCING

Total Development Cost: \$22,000,000

SCHEDULE

Estimated Start
of Construction: 3rd quarter 1986

Estimated
Completion: 4th quarter 1987

BENEFITS

Annual Taxes
Existing: \$9,700
Upon Completion: \$539,616
Increase in Taxes: \$529,916

Employment
Permanent Jobs: 687
Construction Jobs: 232

Linkage: \$329,175

PARKSIDE WEST

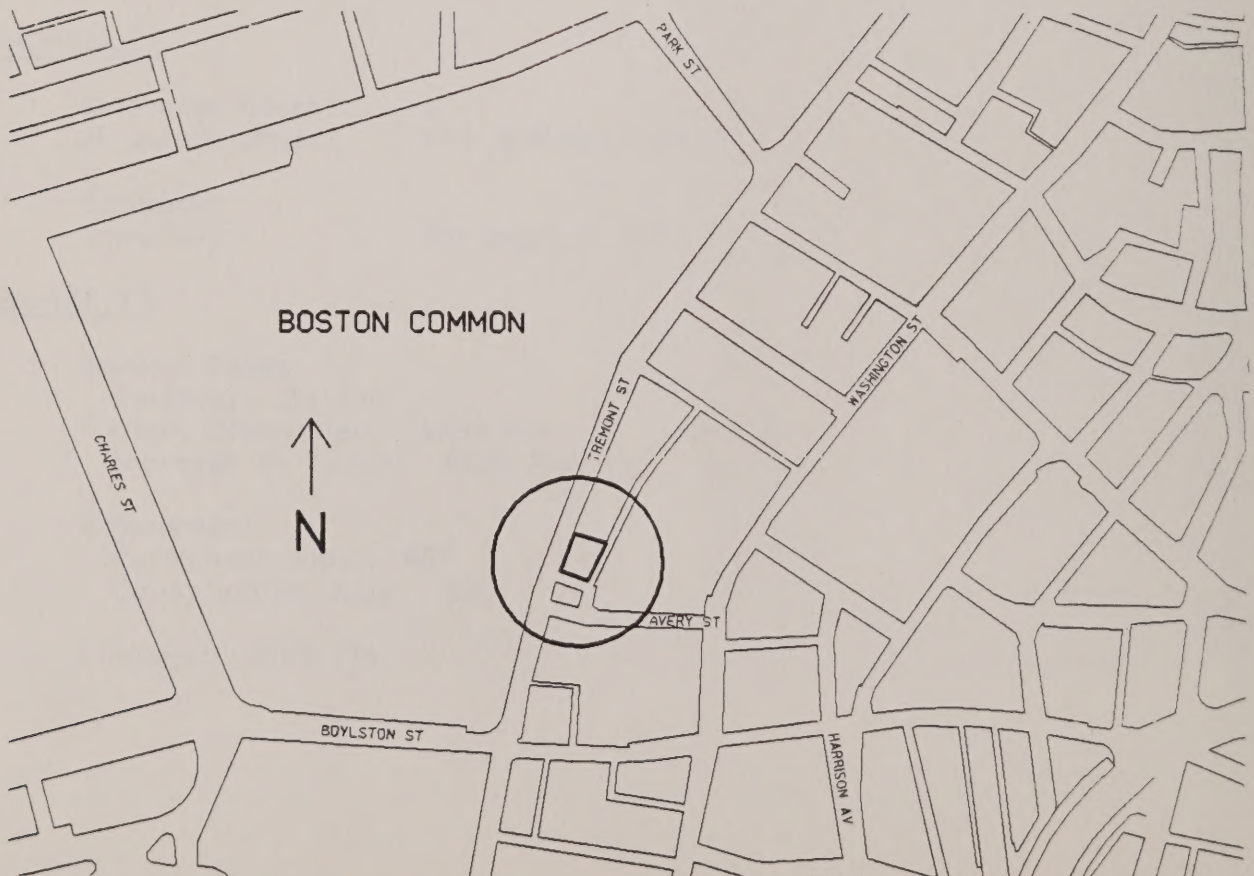


PARKSIDE WEST

The residential Parkside West proposal will replace structures on the Tremont Street park frontage with a well-designed building that enhances the scale and character of the neighborhood adjacent to the Boston Common. The uses include basement parking for 38 cars with access from the Mason Street alley at the rear of the site, street-level lobby and retail shops, and 94 units in the 16 floors above. The height of the building is 155 feet to the cornice which conforms to zoning requirements for buildings adjacent to the Common.

Several aspects of the architectural design will insure the compatibility of Parkside West with the traditional character of the area. The predominant materials are masonry - brick and limestone - similar to other buildings which front the Common. The entrance and lower floors are emphasized with arches and rusticated stone in a style similar to nearby historic buildings. Belt courses of stone at the fourth, sixth and eighth floors relate to details in older buildings on adjacent blocks. Setbacks at the fifth and ninth floors reduce the impact at street level and tie the building masses to neighboring buildings. Vertical articulation of the building's mass is a traditional architectural treatment. The window groupings and sizes reinforce the vertical articulation as does the rooftop treatment, and gives the design the traditional elements of clearly defined top, middle, and base.

Public amenities include a much improved streetscape along Tremont Street with a canopy providing weather protection. Pedestrian improvements to Mason Street are also proposed.



PARKSIDE WEST



PARKSIDE WEST

DEVELOPMENT TEAM

Developer: Tremont One Associates
Architect: Cannon/Yan Associates and Piatt Associates

PARCEL DESCRIPTION

Location: Surrounded by Tremont, Mason, West, and Avery Streets
Size: 5,668 square feet

PROJECT DESCRIPTION

Height: 17 stories
155 feet

Gross Square Feet: 95,328
Residential: 89,660 94 Units
Retail: 5,668

Floor Area Ratio: 13.5

Parking: 38 spaces

FINANCING

Total Development Cost: \$20 million

SCHEDULE

Estimated Start
of Construction: 4th quarter 1986

Estimated
Completion: 4th quarter 1987

BENEFITS

Annual Taxes
Existing: \$21,763
Upon Completion: \$247,680
Increase in Taxes: \$225,917

Employment
Permanent Jobs: 14
Construction Jobs: 211

ONE FANEUIL HALL SQUARE



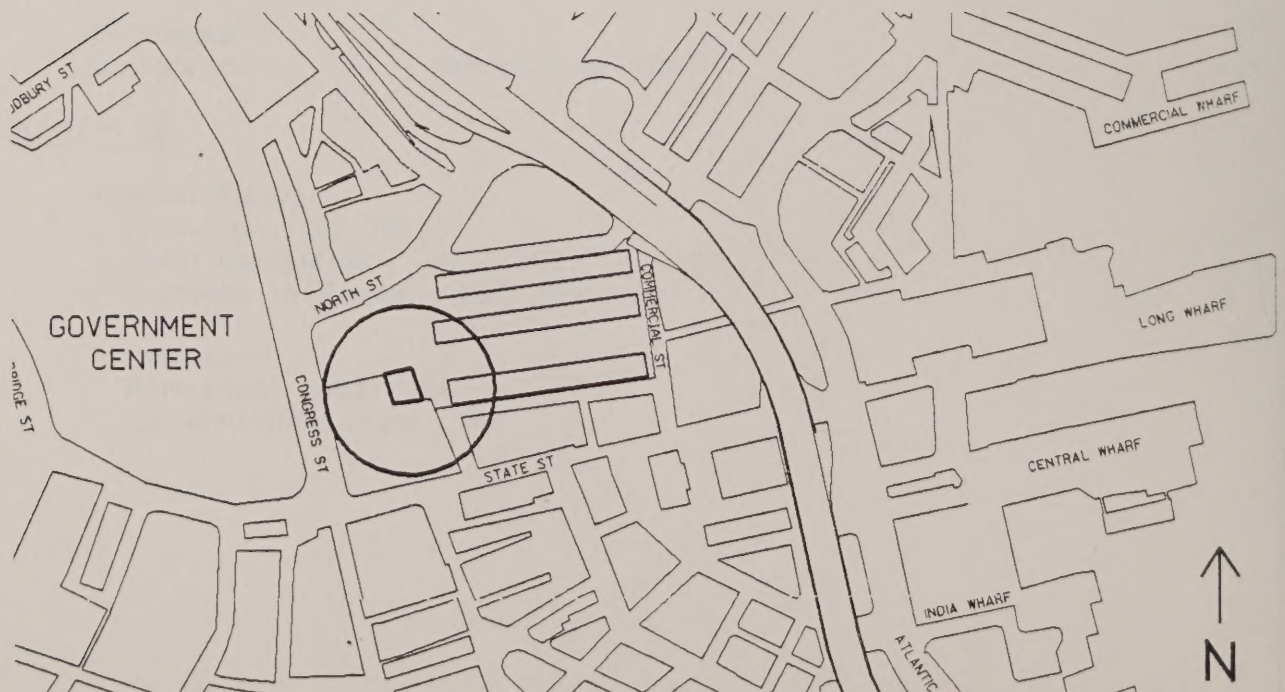
ONE FANEUIL HALL SQUARE

At the corner of Merchants Row and Faneuil Hall Square, a sensitively designed, small-scale building is proposed which fits in well at historic Faneuil Hall Marketplace.

One Faneuil Hall Square has a total of seven stories. Its basement, first floor, and second floor will contain retail space, while office space will be contained above on floors three through seven. By using very low floor-to-floor clearances, the cornice height is 72 feet and the roof height is 86 feet above grade. The seven-story height helps the building relate better to its architecturally sensitive neighbor Faneuil Hall. This height was recommended by BRA staff in the design review process rather than the original height of nine stories, seen as inappropriately high in this sensitive site.

Graham Gund Associates' design shows concern for the site and context of the area. The new building not only helps to define the space at the southwestern edge of the Faneuil Hall Marketplace, but also makes the transition, both visual and actual, between the office towers of State Street and the lower market buildings. Bordering both the Marketplace and 60 State Street, One Faneuil Hall Square provides pedestrian access to the retail space at Faneuil Hall Marketplace along Merchants Row as well as from the second floor retail level at the upper grade of the 60 State Street Plaza.

The project's simple massing, window shapes, and detailing conform in spirit to its surroundings. The structure will be clad in a light, warm grey granite, chosen because of its compatibility with the Markets, while being distinct from Faneuil Hall. The top story is expressed as a light, glass greenhouse which, when combined with a sloping, copper roof helps to scale down the building's height. The copper roof completely encloses the building's mechanical systems creating pleasant rooftop views.



ONE FANEUIL HALL SQUARE



ONE FANEUIL HALL SQUARE

DEVELOPMENT TEAM

Developer: The Gunwyn Development Corporation
Architect: Graham Gund Associates, Inc.

PARCEL DESCRIPTION

Location: One Faneuil Hall Square and the corner of Merchants Row
Size: 4,986 square feet (does not include 60 State St. sliver)

PROJECT DESCRIPTION

Height: 7 stories
86 feet (mechanicals included)

Gross Square Feet: 51,295
Office: 34,599
Retail: 16,696

Floor Area Ratio: 8.53

FINANCING

Total Development Cost: \$10.8 million

SCHEDULE

Estimated Start
of Construction: 2nd quarter 1986

Estimated
Completion: 4th quarter 1987

BENEFITS

Annual Taxes
Existing: \$28,851
Upon Completion: \$264,289
Increase in Taxes: \$235,438

Employment
Permanent Jobs: 178
Construction Jobs: 113

Public Benefits



PUBLIC BENEFITS

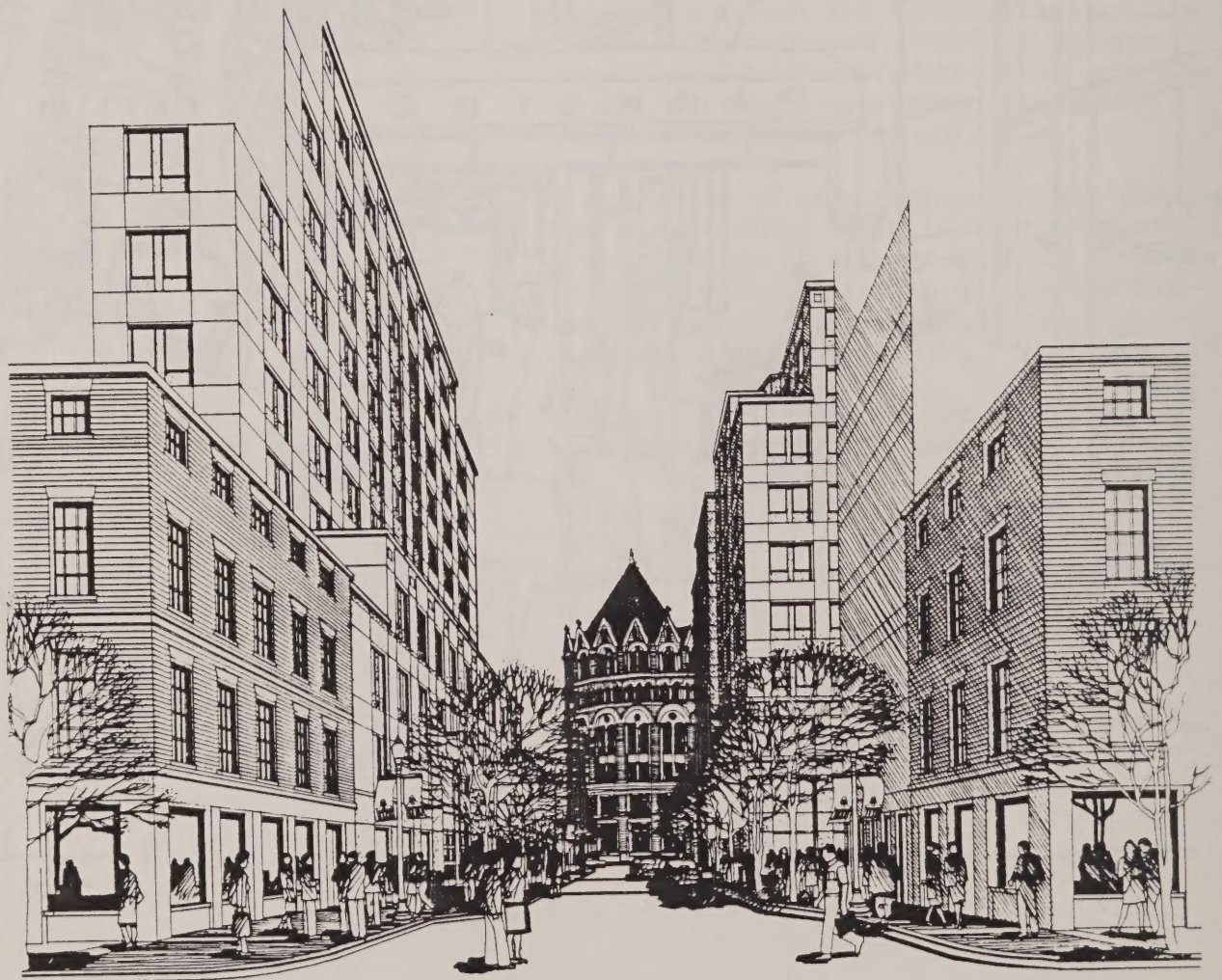
<u>Project</u>	<u>Public Amenities</u>
20 and 21 Custom House Street	Preservation of historic buildings, extensive pedestrian improvements to Custom House Street.
21 Custom House Street	\$225,000 voluntary contribution for housing for the homeless.
745 Atlantic Avenue	Replacement of obsolete building with first class brick and granite office building, widening of sidewalks, arcaded public side walk along Beach and South Streets.
110/120 Tremont Street	Improvement of public access through building's atrium and pathway system between Tremont and Bromfield streets, retention and rehabilitation of historic New Studio Building, upgrading of Hamilton Place as pedestrian arcade.
101 Merrimac Street	Replacement of unattractive surface parking lot with building which contextually completes portion of historic Bulfinch Triangle District, sidewalk and landscape improvements, new through block passage incorporating a new work of art.
Parkside West	Sidewalk and landscape improvements at Mason and Tremont Streets.
One Faneuil Hall Square	Replacement of burned Sanborn Building with a granite building, continuation of pedestrian scale of market area, completion of lower market plaza area and upper landscaped plaza behind 60 State Street.

All projects have an appropriate new treatment of sidewalks with paving materials, landscaping, and trash receptacles. Developers are also committed to maintain these improvements.

PARKSIDE WEST



20 & 21 CUSTOM HOUSE STREET



Follow Through



5

CITY APPROVAL STATUS

PROJECT	DESIGN APPROVALS				OTHER APPROVALS				
	SCHEMATIC DESIGN	DESIGN DEVELOPMENT	FINAL DRAWINGS	Environmental		Designation		Zoning	
				DRAFT	FINAL	TENTATIVE	FINAL	DIPP	VARIANCE
20 Custom House Street				NA	NA	NA	NA		
21 Custom House Street				NA	NA	NA	NA	NA	
745 Atlantic Avenue				NA	NA	NA	NA		
110/120 Tremont Street				NA	NA	NA	NA		
101 Merrimac Street				NA	NA	NA	NA		
Parkside West				NA	NA	NA	NA	NA	
One Faneuil Hall Square				NA	NA			NA	

 Completed

 In Progress

 Not Yet Submitted

NA Not Applicable

OUTSTANDING APPROVALS

20 CUSTOM HOUSE STREET

Boston Redevelopment Authority:

- o Schematic, design development, and final drawings approvals
- o Zoning recommendation
- o Development Impact Plan approval and agreement

Board of Appeal

Boston Air Pollution Control Commission

Boston Landmarks Commission

Inspectional Services Department

Public Improvements Commission

21 CUSTOM HOUSE STREET

Boston Redevelopment Authority:

- o Schematic, design development, and final drawings approvals
- o Zoning recommendation
- o Urban Renewal plan modification

Board of Appeal

Boston Air Pollution Control Commission

Inspectional Services Department

Public Improvements Commission

745 ATLANTIC AVENUE

Boston Redevelopment Authority:

- o Schematic, design development, and final drawings approvals
- o Development Impact Plan approval and agreement
- o Zoning recommendation

Board of Appeal

Boston Air Pollution Control Commission

Inspectional Services Department

Public Improvements Commission

Massachusetts Environmental Protection Agency

- o Environmental notification submittal and scoping

110/120 TREMONT STREET

Boston Redevelopment Authority:

- o Schematic, design development, and final drawings approvals
- o Development Impact Plan approval and agreement
- o Zoning recommendation

Board of Appeal

Boston Air Pollution Control Commission

Inspectional Services Department

Public Improvements Commission

Massachusetts Environmental Protection Agency

- o Environmental notification submittal and scoping

101 MERRIMAC STREET

Boston Redevelopment Authority:

- o Design development and final drawings approvals

Inspectional Services Department

PARKSIDE WEST

Boston Redevelopment Authority:

- o Schematic, design development, and final drawings approvals
- o Zoning recommendations

Board of Appeal

Boston Air Pollution Control Commission

Inspectional Services Department

Public Improvements Commission

Massachusetts Environmental Policy Act

- o Environmental notification submittal and scoping

ONE FANEUIL HALL SQUARE

Inspectional Services Department

OPPORTUNITIES FOR PUBLIC REVIEW

CITY REVIEW

STATE REVIEW

PROJECT	BRA	BOSTON AIR-POLLUTION CONTROL COMM	BOARD OF APPEAL	MEPA	BOSTON LANDMARKS COMMISSION
20 Custom House Street				NA	
21 Custom House Street				NA	NA
745 Atlantic Avenue					NA
110/120 Tremont Street					NA
101 Merrimac Street				NA	NA
Parkside West					NA
One Faneuil Hall Square		NA			



To be Scheduled



Underway



Public Review Completed

NA Not Applicable

Appendix 1

BOSTON CIVIC DESIGN COMMISSION

BOSTON CIVIC DESIGN COMMISSION SUMMARY

The Boston Redevelopment Authority will petition the Boston Zoning Commission to establish the Boston Civic Design Commission. The Design Commission's purpose would be to assist and advise the BRA and the Mayor in design review and to solicit public input on large-scale projects and projects of special significance, such as architecturally important buildings, spaces, parks, civic and cultural centers and monuments. The Design Commission will be an integral part of the city's ongoing efforts both to make the city a more attractive place to live and work and to obtain a balanced growth which strengthens the economic, social, cultural, and visual connections between downtown Boston and the city's neighborhoods. Particular importance will be given to the integrity of those buildings, structures, open spaces, areas, parks, and monuments that contribute to Boston's distinctive character and human scale.

There will be nine members on the Commission, five of whom would be appointed by the Mayor, with the remaining four named by the Mayoral appointees. At least five of the members must be professionals in the fields of architecture, urban design, landscape architecture, or engineering. Developer's conceptual or schematic plans will be received early in the design process, allowing for alterations without unnecessary costs and delays. The Commission will have 60 days to review a project, and recommendations will be based on design criteria established by the BRA.

A public meeting will be held on each development project reviewed. The Commission may vote to disapprove the schematic design of a project on a two-thirds vote; this would trigger the city or BRA to consider requiring the developer to redesign the project.

Text Amendment Application No.
Boston Redevelopment Authority
Boston Civic Design Commission

TO THE ZONING COMMISSION OF THE CITY OF BOSTON:

The Boston Redevelopment Authority hereby petitions to amend the text of the Boston Zoning Code, as established under Chapter 665 of the Acts of 1956, as amended, as follows:

A. By inserting, after Article 27B of said Code, the following article:

ARTICLE 28

BOSTON CIVIC DESIGN COMMISSION

SECTION 28-1. Preamble. Since its settlement, Boston has evolved a vibrant urban form that gives this historic city its vivid sense of place. Boston today is a city with many remarkable historic structures, a visionary parks and open space system, and a richness and diversity of districts and neighborhoods that distinguish it from other American cities.

A central concern to many Bostonians is how the design of new buildings affects what is called the public realm. The public realm is that aspect of the urban environment which is visible and accessible to the public, including both spaces and the building walls which frame them. The concept encompasses areas long thought of as public such as parks, tree-lined boulevards, sidewalks, and streets. It also includes some areas which are held in private ownership, but which are, in terms of their nature, function, or significance or their impact on the streetscape or existing historic context, truly public,

such as the design of buildings, their lobbies, and connecting passageways. The principle of public realm rests on the belief that the public has a historic, necessary, and abiding interest in the way the city develops and changes because cities by their nature and function are public places as well as clusters of private property.

The premise of this Article creating the Boston Civic Design Commission is that the citizens of Boston have a responsibility to participate in shaping the public realm, and that this responsibility begins with the public review of the design of large-scale and other significant public and private projects. This Article establishes a process to allow the public that responsibility, and to undertake the complex balancing of the rights of private expression with the cultural values expressed in Boston's existing public realm.

SECTION 28-2. Purpose. The purpose of this Article is to preserve and promote the health, safety, convenience, and welfare of the inhabitants of the City of Boston by establishing the Boston Civic Design Commission ("Design Commission"), an advisory body composed of individuals with a demonstrated interest or expertise in urban design. The Design Commission will be an integral part of the city's ongoing efforts both to make the city a more attractive place to live and work and to attain a balanced growth which strengthens the economic, social, cultural, and visual connections between downtown Boston and the city's neighborhoods. The Design Commission will focus on the part of this effort that requires working with the public and with city officials in an open process to protect and enhance the public realm. By assisting and advising the city in the design review of projects that affect the public realm, the Design Commission will provide a forum for the general public and the professional design community to actively participate in the

shaping of the city's physical form and natural environment. Particular importance will be given to the integrity of those buildings, structures, open spaces, areas, parks, and monuments that contribute to Boston's distinctive character and human scale.

SECTION 28-3. Establishment. This Article establishes the Boston Civic Design Commission.

SECTION 28-4. Definitions. For the purposes of this Article, the following definitions shall apply:

- A. "Large-Scale Development Projects." Any development, whether commercial, residential, or other, in the City of Boston in which it is proposed: to erect a building or structure having a gross floor area in excess of one hundred thousand (100,000) square feet; to enlarge or extend a building or structure so as to increase its gross floor area by more than one hundred thousand (100,000) square feet; or to substantially rehabilitate a building or structure having, or to have, after rehabilitation, a gross floor area of more than one hundred thousand (100,000) square feet.
- B. "Projects of Special Significance." Any development in the City of Boston in which it is proposed to erect, alter, demolish, move, or enlarge a building or structure which is determined by a majority vote of those members of Design Commission present and voting to be of special urban design significance to the City of Boston.

Projects of special significance shall include projects that are:

- (1) In visual proximity to or within five hundred feet (500') of a landmark building designated as a category "1," "2" or "3" by the Boston Landmarks Commission; an architectural district established by the Boston Landmarks Commission or by State legislation, or a National Register District;
 - (2) Visually prominent from a significant open space area or from a significant public right-of-way;
 - (3) Located in areas of special historic interest, as established by the Boston Redevelopment Authority;
 - (4) Situated in such a way as to have a significant impact on the visual quality of the surrounding area.
- C. "Civic Projects." Any project in the City of Boston in which it is proposed to create, erect, alter, demolish, move, or enlarge any park or open space, civic or cultural center, or monument which is determined by a majority vote of the Design Commission to be of importance to the character or urban design of the City of Boston.
- D. "District Design Guidelines." Any comprehensive set of rules adopted by the Boston Redevelopment Authority and established to preserve and enhance the characteristics of a specific district within the City of

Boston; these rules include the heights, setbacks, massing, scale and materials of buildings, as well as the special features that make the district a distinct subarea of Boston.

SECTION 28-5. Scope of Jurisdiction. The Design Commission has the authority to review Large-Scale Development Projects, Projects of Special Significance, Civic Projects, and District Design Guidelines, as defined in Section 28-4 above, which are subject to the Boston Redevelopment Authority's planning authority. The Design Commission also has the authority to review projects which are within the executive authority of the Mayor, provided the Mayor consents to the review of such projects. In no event shall the Design Commission's power to review projects extend beyond that of the Boston Redevelopment Authority and that which is granted consensually by the Mayor. Once a project becomes subject to the Design Commission's review, in no event shall the Commission request documents from parties other than the Mayor and the Boston Redevelopment Authority; nor shall the Commission request documents from the Mayor, the Boston Redevelopment Authority, or other parties which are inconsistent with the Procedures for Review set out in Section 28-13. In all cases, the projects reviewed by the Design Commission shall be reviewed for the purposes stated in Section 28-2 and based on the criteria referenced in Section 28-14A.

SECTION 28-6. Composition. There shall be nine members of the Design Commission, five of whom shall be appointed by the Mayor, and the remaining four positions shall be filled by such five. At least six members must be residents of the City of Boston. Members shall have a demonstrated interest in the design of the city; at least five members shall be professionals

in the fields of architecture, landscape architecture, urban design, or engineering. At least one of the members of the Design Commission shall have expertise in historic preservation or architectural history. There shall be female and minority representation on the Design Commission.

SECTION 28-7. Nominations. The Mayor and the other members shall seek nominations for membership on the Design Commission from a wide range of community, civic, and professional organizations and individuals.

SECTION 28-8. Term of Office. Five of the Commission members initially appointed shall serve a term of three years; two of the remaining four shall serve for two years and two shall serve for one year. The Mayor shall determine whether each of the Commission members initially appointed shall serve a one, two, or three year term. As the term of any Commission member initially appointed, or of any subsequent Commission member, expires, his successor shall be appointed for a term of three years by the Mayor or the other members as the case may be. Members shall serve until their successors are duly appointed. Vacancies, other than by reason of expiration of terms, shall be filled for the balance of the unexpired term.

SECTION 28-9. Removal. The Mayor or the Boston Redevelopment Authority may remove a member for just cause. Reasons for just cause shall include but not be limited to a pattern of non-attendance, noncompliance with procedures established under Section 28-14, failure to disclose conflicts of interest, incapacity due to illness, or conviction of a crime. Such determination that just cause for removal exists shall be conclusive.

SECTION 28-10. Compensation. The Boston Redevelopment Authority shall determine whether or not Design Commission members shall be compensated and the amount and timing of such compensation.

SECTION 28-11. Selection of Chairperson. The Chairperson of the Design Commission shall be appointed by the Mayor and shall serve a term of two years.

SECTION 28-12. Staffing. The Boston Redevelopment Authority shall staff the Design Commission with Boston Redevelopment Authority personnel in a manner consistent with the Commission's mission and purpose.

SECTION 28-13. Procedures for Review. Copies of the schematic project plans submitted by developers as required by Development Review Procedures (1985, Boston Redevelopment Authority, and as may be amended or republished), shall be forwarded to the Design Commission for its review and use. In the instance of Projects of Special Significance and Civic Projects, the Design Commission shall receive whatever schematic design documents are available to the Mayor or the Boston Redevelopment Authority. In all cases, the Design Commission's review shall not be conducted or extend beyond the schematic design stage. The Boston Redevelopment Authority may submit its analysis and recommendations on each matter before the Design Commission. Copies of District Design Guidelines, when proposed by the Boston Redevelopment Authority, shall also be forwarded to the Design Commission for its review.

SECTION 28-14. Recommendations. The Design Commission may make recommendations to the Mayor and the Boston Redevelopment Authority as to the approval, the need for modifications, the need for further review, or the disapproval of the design of projects subject to its review. Such recommendations shall be made within sixty days of the date project plans are submitted to the Design Commission. With the Boston Redevelopment Authority's consent, a thirty-day extension and other such extensions may be granted to the Design Commission to afford it adequate time to formulate its recommendations. A decision not to review a project or make a recommendation on a project shall not be deemed to be a favorable or unfavorable recommendation. If and when submitted, recommendations shall be in the form of a written report presented to the Mayor and Boston Redevelopment Authority.

- A. Basis for Recommendations. Where the Boston Redevelopment Authority deems it appropriate and applicable, recommendations shall be made on the basis of design criteria established by the Boston Redevelopment Authority, either in its planning reports and studies or in specific requests for proposals (i.e., competitions).
- B. Method. Recommendations to the Mayor and the Boston Redevelopment Authority shall require a majority of those members of the Commission present and voting. The Design Commission shall adopt procedures, voted by a majority of all members, to establish the time, place, and manner for its members to vote and the process by which the Design Commission decides not to review a project or make a recommendation on

a project. Such procedures and revisions to such procedures shall be submitted in writing to the Mayor and the Boston Redevelopment Authority within seven (7) calendar days of their adoption.

- C. Public Meetings. A public meeting on every matter submitted to the Design Commission for its review shall be held before the Commission conducts its final vote and makes its final recommendation. All such public meetings require at least seven (7) calendar days' notice to the general public in a newspaper of general circulation.
- D. Quorum. In no event shall a quorum of the Design Commission be fewer than six members.

SECTION 28-15. Disapproval and Redesign. In the event that two-thirds (2/3) of those members of the Design Commission that do not have a conflict of interest, as provided for by Section 28-17, after following the deliberative process outlined in Section 28-14, vote to disapprove the schematic design of a project or vote to disapprove proposed District Design Guidelines, the Boston Redevelopment Authority, or where appropriate the Mayor, shall consider whether a redesign of such project or redrafting of such guidelines, shall be required, and shall advise the Design Commission accordingly. Neither the Boston Redevelopment Authority nor the Mayor, as the case may be, shall be obligated to follow the recommendations of the Design Commission, but such recommendations shall be given serious consideration.

SECTION 28-16. Records. The Design Commission shall record: the time and place of each meeting; the topic(s) discussed in each meeting;

members in attendance at each meeting; whether the meeting was open to the public; what nonmembers were in attendance; any votes taken; and any disclosures by members of conflicts of interest. Such record shall be maintained in good and legible condition by the chairperson, or his or her designee, and be available for inspection by any member of the public upon seven (7) calendar days' notice. Such record shall be available to the Mayor and the Boston Redevelopment Authority upon reasonable notice.

SECTION 28-17. Conflict of Interest. The members of the Design Commission shall be subject to M.G.L. c. 268A.

SECTION 28-18. Rules. The Design Commission shall adopt rules or bylaws, which shall include the procedures referenced in Section 28-14B and may include such other issues as are integral to the operation of the Commission.

SECTION 28-19. Severability. The provisions of this Article are severable, and if any provision shall be held invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not impair, or otherwise affect, any other provisions of this Article.

Petitioner: Boston Redevelopment Authority

By:

Address:

Tel. No.

Date:

Stephen Coyle, Director
City Hall, 9th Floor
Boston, MA 02201

722-4300, extension 281

Appendix 2

BOSTON FAIR EMPLOYMENT COMMISSION

BOSTON FAIR EMPLOYMENT COMMISSION SUMMARY

The proposed Boston Fair Employment Commission would be responsible for bringing projects into compliance with the Boston Residents Construction Employment Standards, investigating noncompliance complaints, making compliance determinations, and issuing sanctions. The Commission would also have the authority to require developers to submit detailed plans that show how the developer intended to meet the Boston Residents Construction and Permanent Jobs Standards and Minority Business Enterprise goals. Information would be gathered by the Commission on whether the Resident Permanent Employment Standards and other agreed upon hiring goals were being met. Compliance determinations for the Boston Residents Construction Employment Standards would be made when the project is 25 percent complete, 50 percent complete, 75 percent complete, and again when the project is 100 percent complete.



CITY OF BOSTON

IN THE YEAR NINETEEN HUNDRED AND

AN ORDINANCE

DRAFT
For
Discussion Purposes Only

ESTABLISHING THE BOSTON FAIR EMPLOYMENT COMMISSION

Be it ordained by the City Council of Boston, as follows:

1. INDEX
2. Section 1: Preamble: Policy of the City of Boston
3. Section 2: Definitions
4. Section 3: Scope of Jurisdiction
5. Section 4: Powers and Duties
6. Section 5: Composition
7. Section 6: Nomination
8. Section 7: Term
9. Section 8: Removal
10. Section 9: Chair
11. Section 10: Procedures
12. Section 11: Standards for Compliance
13. Section 12: Determinations of Compliance
14. Section 13: Establishment of Escrow Fund
15. Section 14: Sanctions
16. Section 15: Certificate of Compliance
17. Section 16: Staffing
18. Section 17: Records
19. Section 18: Conflicts of Interest
20. Section 19: Severability

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1. SECTION ONE: Preamble: Policy of the City of Boston

2.

3. WHEREAS there is a need to ensure that Boston residents receive

4. maximum benefits from the growing private economy of their city and

5. the economic resurgence of office, hotel, retail, institutional, and

6. unsubsidized residential development, including the permanent jobs

7. which emanate from this economic expansion.

8.

9. WHEREAS there is unemployment and underemployment in the City

10. of Boston, both among majority and minority residents;

11.

12. WHEREAS Black, Hispanic, Asian and Native American residents of

13. the City of Boston, as well as female residents have historically

14. been underrepresented in the construction trades and unions in the

15. City of Boston and such exclusion can and does exacerbate racial

16. tensions as a result of the competition for employment

17. opportunities;

18.

19. WHEREAS the effect of high levels of unemployment and

20. underemployment has a serious, substantial and deleterious effect

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1. upon all the neighborhoods of the City of Boston, resulting in the
2. physical deterioration of neighborhoods, vandalism, and crime;
3.

4. WHEREAS an Ordinance establishing the Boston Residents Jobs
5. Policy was promulgated in 1983 and was extended by Executive Order
6. in 1985 establishing Resident Construction Employment Standards to
7. ensure employment for Boston residents, minorities, and women;
8.

9. WHEREAS, it is the policy of the City to promote the employment
10. of Boston residents, minorities, and women in permanent jobs with
11. both major private employers and city government;
12.

13. WHEREAS it is essential to the fulfillment of the Boston
14. Residents Jobs Policy that projects and employment plans be
15. monitored, that findings be made with respect to compliance, and
16. that recommendations for sanctions be determined, and that this be
17. done in a manner that protects the due process rights of all parties
18. involved;
19.
20.

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1. WHEREAS such findings and recommendations should be made by an
2. independent body composed of persons with an established commitment
3. to equal employment opportunity;

4.
5. WHEREAS, the following is declared to be in the public
6. interest;

7.
8. THEREFORE, be it ordained as follows:

9.
10. SECTION TWO: Definitions

11. For the purposes of this Ordinance, the following definitions
12. shall apply, unless the context otherwise requires:

13. (1) "Boston Fair Employment Commission", hereinafter
14. "Commission." There shall be in the City a board known as the Boston
15. Fair Employment Commission, consisting of five members appointed by
16. the Mayor; the Commission shall have the powers and duties set forth
17. out in Section 4 herein. The members of the Commission shall be
18. deemed special municipal employees for purposes of Chapter 268A of
19. the Massachusetts General Laws.
20.

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1. (2) "Mayor's Office of Jobs and Community Services,"
2. hereinafter "OJCS". The agency within the City of Boston government
3. responsible for compiling compliance information in accordance with
4. the Boston Residents Construction Employment Standards, as defined
5. in Section 2(10) herein.

6. (3) "Voluntary Employment Agreement." Any plan to promote
7. hiring of Boston residents, minorities, and/or women developed by
8. private employers which addresses, at a minimum, plans to achieve
9. hiring goals for new hires and vacancies.

10. (4) "Major Private Employer." Any private firm which employs
11. more than five hundred people within the City of Boston.

12. (5) "Boston Resident." Any person for whom the principal
13. place where that person normally eats and sleeps and maintains his
14. or her normal personal and household effects is within the city
15. limits for the City of Boston.

16. (6) "Minority Person" or "Minority." Any person who is Black,
17. Hispanic, Asian, or Native American, as these terms are defined by
18. the United States Census Bureau, or as these terms are defined by
19. the Boston Equal Employment Opportunity Commission in its duly
20. promulgated regulations.

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1. (7) "Worker-Hours." The sum total of all hours worked by all
2. persons performing construction work.

3. (8) "Permanent Job." Any full-time position, or its
4. equivalent, that an employer would fill year-round and continue to
5. fill indefinitely in a particular location.

6. (9) "Covered Projects." All projects, contracts, or
7. agreements within the jurisdiction of:

8. (i) the Boston Residents Jobs Policy, Ordinances of
9. 1983, Chapter 30 (hereinafter referred to as "Jobs
10. Ordinance");

11. (ii) the Mayor's Executive Order Extending the Boston
12. Residents Job Policy, dated July 12, 1985
13. (hereinafter referred to as "Jobs Order"); or

14. (iii) any subsequent ordinance or executive order,
15. relating to Boston jobs policies, which specifically
16. empowers the Boston Fair Employment Commission and
17. which may be hereafter duly adopted.

18. (10) "Boston Resident Construction Employment Standards." The
19. standards as contained below:
20.

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1. (i) Fifty percent (50%) of all Worker-Hours in
2. Covered Projects shall be worked by Boston Residents;
3. (ii) Twenty-five percent (25%) of all Worker-Hours in
4. Covered Projects shall be worked by Minority Persons;
5. (iii) Ten percent (10%) of all Worker-Hours in Covered
6. Projects shall be worked by Females.

7. (11) "Boston Resident Permanent Employment Standards." The
8. standards as contained below:

9. (i) Fifty percent (50%) of all permanent jobs in the
10. City of Boston shall be filled by Boston residents;
11. (ii) Thirty percent (30%) of all permanent jobs in
12. the City of Boston shall be filled by Minority
13. Persons;
14. (iii) Fifty percent (50%) of all permanent jobs in the
15. City of Boston shall be filled by Females.

- 16.
17. (12) "Minority Business Enterprise." Any firm or business
18. enterprise in which:

19. (i) The principals are members of a minority group
20. or are Females;

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(ii) Minorities or Females own at least fifty-one percent (51%);

(iii) Minorities or Females possess and demonstrate dominant control over management of such firm or business enterprise;

(iv) Such firm or business enterprise is an on-going concern; and

(v) Minorities or Females re substantial investors in such firms and business enterprise.

SECTION THREE: Scope of Jurisdiction

The Commission's jurisdiction shall extend to: (1) Covered Projects, as defined in Section 2(9) herein; (2) Voluntary Employment Agreements, as defined in Section 2(3) herein, developed by Major Private Employers or other employers within the City of Boston; (3) hiring practices of the City of Boston, its boards, departments, and agencies; and (4) matters under the jurisdiction of any subsequent ordinance or executive order, relating to Boston jobs policies, which specifically empowers the Boston Fair Employment Commission and which may be hereafter duly adopted.

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SECTION FOUR: Powers and Duties

(1) The Commission shall be charged with bringing Covered Projects into compliance with Boston Residents Construction Employment Standards, as defined in Section 2(10) herein. The Commission shall receive compliance information from OJCS, investigate noncompliance complaints, make compliance determinations, and where appropriate, issue sanctions as outlined in Section 14 herein. Compliance information may be gathered at any time by the Commission, and compliance determinations shall be made by phase for each Covered Project in accordance with Sections 10, 11 and 12 herein. For projects existing or under construction upon the adoption of this Ordinance, the Commission, in conjunction with the appropriate city agency, shall pursue remedies for noncompliance that arise through existing contracts and agreements or that exist pursuant to the Jobs Ordinance or Jobs Order.

(2) The Commission shall have the authority to require developers of Covered Projects to submit: (i) detailed plans that show how the developer intends to meet the Boston Resident Construction Jobs Standards; (ii) detailed plans that show how the developer intends to meet the Boston Resident Permanent Employment

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Standards; and (iii) detailed plans that show how the developer intends to meet MBE goals contained in City contracts or that arise from city, state, or federal laws, regulations, or policies.

Submission of such plans to QJCS shall be a condition of receiving zoning relief, a building permit, or other public benefits.

(3) The Commission shall be charged with monitoring the compliance of (MBE) goals contained in city contracts or that arise from city, state, or federal laws, regulations, or policies. The Commission shall receive compliance information from QJCS, and shall pursue appropriate legal and non-legal remedies for non-compliance or shall recommend that the awarding authority or agency pursue such remedies.

(4) The Commission shall have the authority to meet with a subcommittee of the City's Major Private Employers for the purpose of determining aggregate hiring goals that will promote the City's permanent-jobs hiring goals, as defined in Boston Resident Permanent Employment Standards and as contained in Voluntary Employment Agreements. The Commission shall gather information on whether the Boston Resident Permanent Employment Standards and other agreed upon hiring goals are being met, and shall exercise moral suasion on

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1. employers to comply with such standards. Twice annually the
2. Commission shall invite Private Major Employers, or a subcommittee
3. of Private Major Employers, to make presentations to the Commission
4. on their compliance efforts.

5. (5) The Commission shall have the authority to promulgate
6. regulations, as to matters within the Commission's purview, after
7. public notice, comment, and hearing and upon a majority vote of all
8. members.

10. SECTION FIVE: Composition

11. There shall be Five Members of the Commission, all of whom
12. shall be appointed by the Mayor. Members of the Commission shall
13. have a demonstrated commitment to equal employment opportunity.
14. There shall be female and minority representatives on the
15. Commission. All members of the Commission shall be Boston Residents
16. or shall maintain their principal place of business in Boston.

18. SECTION SIX: Nominations

19. The Mayor shall seek nominations for membership from a wide
20. range of individuals and organizations.

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SECTION SEVEN: Term of Office

Commission members shall be appointed to two-year terms, and members shall serve until their successors are duly appointed. Vacancies, other than by reason of expiration of terms, shall be filled by appointment by the Mayor for the balance of the unexpired term.

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SECTION EIGHT: Removal

The Mayor may remove a member for just cause by filing a written statement to such effect with the City Clerk. Reasons for just cause shall include but not be limited to a pattern of non-attendance, noncompliance with procedures established under Section 10 herein, failure to disclose conflicts of interest, incapacity due to illness, or conviction of a crime. The Mayor's determination that just cause for removal exists shall be conclusive.

SECTION NINE: Chair

The Chairperson of the Commission shall be appointed by the Mayor, and shall serve a term of two years.

SECTION TEN: Procedures

No actions or determinations under Sections 12, 13, 14, or 15 shall be taken or made without adherence to the following administrative procedures:

- (1) Notice to Parties. Any party subject to the jurisdiction and recommendation power of the Commission shall be given

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1. fourteen (14) calendar days notice of any hearing
2. affecting its interests, such notice to be provided in
3. writing and sent by mail, postage prepaid first class, to
4. the party at its usual place of business.

5. (2) Method. Decisions to sanction shall require a majority
6. vote of the membership of the Commission. The Commission
7. shall adopt procedures, voted by a majority of all
8. members, to establish the time, place, and manner for its
9. members to meet and vote. Such procedures and revisions
10. to such procedures shall be submitted in writing to the
11. Mayor and QJCS within twenty-one (21) calendar days of
12. their scheduled adoption.

13. (3) Public Meetings. A public meeting subject to the
14. requirements of the Massachusetts open meetings law
15. (M.G.L. ch. 39, §23) shall be held before the Commission
16. conducts its final vote on any matter within its
17. jurisdiction. All such public meetings shall require at
18. least seven (7) calendar days notice to the general public
19. in a newspaper of general circulation.
20.

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(4) Quorum. In no event shall a quorum be fewer than three members of the Commission.

SECTION ELEVEN: Standards for Compliance

The Commission shall use a two-element standard to establish Boston Resident Construction Employment Standards compliance for Covered Projects. The first element shall be numerical or statistical in nature. A Covered Project shall per se be deemed in compliance if the statistical monitoring data by phase shows compliance with Boston Resident Construction Employment Standards.

Projects not per se in compliance shall be deemed in compliance if: (i) the statistical monitoring data show seventy-five percent (75%) compliance with the Boston Resident Construction Employment Standards; and (ii) if it is determined by the Commission that a good faith effort has been made to comply with the Boston Resident Construction Employment Standards.

SECTION TWELVE: Determination of Compliance

The Commission by vote of its membership shall make determinations of Boston Resident Construction Employment Standards

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1. compliance for Covered Projects at four phases of the development
2. process as follows:

3. Phase I: Twenty five percent complete;

4. Phase II: Fifty percent complete;

5. Phase III: Seventy five percent complete;

6. Phase IV: One Hundred percent complete.

7. "Percent Complete" shall be measured by the percentage of the total
8. Worker-Hours expected to be worked on the project. Said percentage
9. shall be monitored by the Commission and included in Monitoring
10. Reports.

11.
12. SECTION THIRTEEN: Establishment of Escrow Fund

13. For each Covered Project, an Escrow Fund shall be established.
14. The developer shall pay into the Escrow Fund an amount equal to
15. one-tenth of one percent (.1%) of the total construction cost of the
16. project as determined by the Commission. The Escrow Fund shall be
17. held by an escrow agent selected by the Commission. All interest
18. accrued by the fund shall remain in and become a part of the Escrow
19. Fund. The Escrow Fund shall be held for the purpose of satisfying
20. fines levied by the Commission in relation to the Covered Project.

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1. Subject to appropriation by the Mayor and approval by the City
2. Council, any and all fines shall be collected for the benefit of the
3. Neighborhood Jobs Trust, as established in Article 26B of the Boston
4. Zoning Code, or similar entity of the Neighborhood Jobs Trust should
5. cease to exist to be used for jobs training. Upon the completion of
6. the Covered Project and a final compliance finding by the
7. Commission, all monies in the Escrow Fund shall be released.

8. 9. SECTION FOURTEEN: Sanctions

10. The Commission shall have the authority to sanction the
11. developers of Covered Projects for noncompliance with the Boston
12. Resident Construction Employment Standards. The Commission shall
13. invoke any or all four categories of sanctions:

14. (1) Fines to a maximum of three-hundred dollars (\$300.00) per
15. violation to be levied against the Escrow Fund as
16. established herein, provided that each day of
17. non-compliance shall be considered a separate violation;

18. (2) Preclusions from the award of all municipal contracts, and
19. competitions for public development rights for a period of
20. time determined by the Commission;

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1. (3) Sanctions as authorized by the Jobs Ordinance and
2. incorporated in contracts;

3. (4) Certifications of Noncompliance which shall be forwarded
4. to any or all local, state, and federal agencies and
5. authorities.

6. The Commission may employ the sanctions contained in Sections 14(2)
7. and 14(4) against any party who fails to meet Boston jobs policy
8. provisions contained in any contract or agreement between such party
9. and the City. The imposition of sanctions under this section shall
10. not preclude the exercise of any action or sanction as authorized
11. through contract or agreement.

12.
13. SECTION FIFTEEN: Certificate of Compliance

14. The Commission shall issue certificates of compliance and merit
15. to all concerned municipal, state, and federal agencies and
16. authorities for all individuals, organizations, partnerships, or
17. corporations which have equalled or exceeded their compliance
18. requirements. The holder of a certificate of compliance and merit
19. shall be given favorable consideration in the award of municipal
20. contracts and development rights.

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1. SECTION SIXTEEN: Staffing

2. The Commission shall have staff consistent with the
3. Commission's mission and purpose. The Director of OJCS shall be the
4. Executive Director of the Commission. At a minimum, the
5. Commission's staff shall consist of a legal counsel, contract
6. compliance officers, an executive secretary, project examiners, and
7. a recording secretary.

8.
9. SECTION SEVENTEEN: Records

10. The Commission shall record no less than: the time and place of
11. each meeting; the topic(s) discussed in each meeting; members in
12. attendance at each meeting; whether the meeting was open to the
13. public; what nonmembers were in attendance; any votes taken; and any
14. disclosures by members of conflicts of interest. Such record shall
15. be maintained in good and legible condition by the chairperson, or
16. his or her designee, and be available for inspection by any member
17. of the public upon seven (7) calendar days notice. Such record
18. shall be available to the Mayor upon reasonable notice.

19.
20. SECTION EIGHTEEN: Conflicts of Interest

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1. No member shall appear before or represent any person, firm,
2. corporation, or other entity in any matter pending before the
3. Commission. Members shall not participate in a meeting or a
4. decision of the Commission on any matter in which they are directly
5. or indirectly interested in a personal or financial sense. Any
6. disqualification or disclosure of conflict of interest shall be
7. entered into the records of the Commission.

8.
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20.

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1. SECTION NINETEEN: Severability

2. The provisions of this Ordinance are severable, and if any
3. provision shall be held invalid or unconstitutional by a decision of
4. any court of competent jurisdiction, such decision shall not impair,
5. or otherwise affect, any other provisions of this Ordinance.

6.
7. SECTION TWENTY: Effective Date

8. This Ordinance shall take effect on July 1, 1986.

Appendix 3

FINANCIAL CONTEXT

UNDERSTANDING PRO FORMAS

All projects submitted to the BRA are subject to financial review and analysis. Those projects which are done on publicly-held lands receive a greater degree of scrutiny than those projects which are totally private, but regardless, all projects are assessed for their economic viability. Financial review involves analysis of the economic structure of a project including the costs of building and operating a project, the structure of a project's financing, and the feasibility of such estimates in comparison to current market trends. As a project nears completion of the approval process, the financial submissions are more detailed and the financial commitment of a lending institution is secured. Furthermore, financial review allows us to identify the benefits of a project to the city (i.e., lease payments, taxes, or linkage payments), as well as the financial implications of any design changes which may be required by the BRA or suggested by the developer.

The principal method of conducting financial review is to examine a developer's pro formas. A pro forma is an income and expense forecast which lays out a reasonable set of predictions regarding the costs of a project. There are typically two types of pro formas - a development pro forma which spells out the capital costs of building a project and an operating pro forma which predicts year-to-year expenses of running a project. These pro formas do not give actual figures, but rather they offer the most likely outcomes based on a reasonable set of assumptions. These assumptions may be varied to reflect more optimistic or pessimistic assumptions regarding the market, inflation, the time value of money, or changes in the tax laws, etc.

The development pro forma is broken down into three major categories:

1. **ACQUISITION COSTS** - the costs of assembling and clearing the required site(s). Also called the land costs.
2. **HARD COSTS** - the costs of construction, including all physical improvements to the site.
3. **SOFT COSTS** - professional fees, financial costs, and developer's fee.

The operating pro forma is usually based on the first stabilized year of operation and usually includes the following:

Income - gross income from rental of office, retail, residential, or parking. (Based on comparable rents in a similar market.) A certain percentage is deducted for vacancy resulting in an effective gross income.

Expenses - this includes operating and maintenance expenses as well as real estate taxes. Other expenses may include lease payments or linkage charges.

Net Operating Income - this is simply the income minus expenses or the amount of money available to finance the debt.

Debt Service - the annual payment of interest and principal on the loan.

The operating pro forma can show either before-tax or after-tax calculations but in either case it should include information regarding the financing of the project, specifically the amount of equity, the amount of debt and the terms of the permanent loan.

Development and operating pro formas for a hypothetical development project follow.

MODEL DEVELOPMENT PROJECT

Development Program

Total Land Square Footage	15,000	
GROSS SQUARE FEET		
Office	120,000	
Retail	12,000	
Parking	20,000	
(# of spaces)	<u>55</u>	based on an average of 350 sf/space
TOTAL GSF	152,000	
NET SQUARE FEET		
Office	104,400	based on 87% efficiency
Retail	9,960	based on 83% efficiency
Parking	<u>20,000</u>	
TOTAL NSF	134,360	

DEVELOPMENT PRO FORMA

ACQUISITION COSTS	
Land Cost	\$ 2,250,000
\$/LSF	150
\$/FAR SF	17
HARD COSTS	
Site Improvements	525,000
\$/LSF	35
New Construction	11,220,000
\$/GSF	85
Parking	1,100,000
\$/space	20,000
Tenant Improvements	1,123,700
Office \$/nsf	10
Retail \$/nsf	8
TOTAL HARD COSTS	<u>\$13,968,700</u>

Development Pro Forma (continued)

SOFT COSTS

Architect/Engineering % of Hard Costs	698,400 5%	Architecture/Engineering fees usually range from 4-7% of hard costs
Legal, Accounting, Insurance	500,000	
Marketing/Brokerage	500,000	
Developer's Fee	450,000	roughly 2-4% of TDC
Construction Loan Interest	1,260,000	This figure is calculated by multiplying the amount of the loan by the interest rate by the amount of time the loan will be out by the percentage drawdown (i.e. what percent of loan is outstanding at any point in time).
Financing Fees	400,000	
Real Estate Taxes	500,000	
Permits, Title	200,000	
Operating Loss	<u>800,000</u>	The Operating Loss is a line item which accounts for a "start-up" period - i.e., the time between project comple- tion and full lease-up of a building. In this case, it is estimated that it will take 18 months to achieve 90% occupancy.
TOTAL SOFTS COSTS	\$ 5,308,400	
CONTINGENCY % of Hard Costs	\$ 977,800 7%	Contingency allowance usually ranges from 5-10% of hard costs, depending on soil conditions and foundation construction. Rehabilitation projects usually have a greater allowance based on age and condition of building.
TOTAL DEVELOPMENT COSTS	<u>\$22,504,900</u>	
Soft Costs as % Hard Costs	38%	Projected soft costs for professional fees and other expenses are comparable to other downtown projects recently reviewed by the BRA.
Soft Costs as % TDC	24%	

Operating Pro Forma (FIRST STABILIZED YEAR)

INCOME			Rents are calculated on basis of net square footage. These rents are comparable with rents of mid-size buildings currently under construction in downtown Boston.		
Office		\$ 3,445,200			
\$/nsf	\$33.00				
Retail		448,200			
\$/nsf	45.00				
Parking		165,000	5% of office and retail space and 5% of parking		
\$/space	250/month				
TOTAL Gross Income					
		4,058,400			
Vacancy		(186,420)			
Effective Gross Income					
			3,871,980		
OPERATING EXPENSES					
Office		(469,800)	Parking expenses are usually estimated to be 16% of total gross parking revenues.		
\$/nsf	4.50				
Retail		(44,820)			
\$/nsf	4.50				
Parking		(26,400)			
Real Estate Taxes		(564,600)			
Linkage			(22,857)	Linkage payments are calculated based on the formula of \$5/gsf over 100,000 gsf paid over 7 years (for housing) and \$1/gsf paid over 2 years (for job training). Since this operating pro forma represents the first stabilized year of operation, only the housing linkage payment is shown. The job training payments would be completed in year 2.	
TOTAL EXPENSES			(1,128,477)		
NET OPERATING INCOME			2,743,503		
RETURN ON TOTAL COST DEVELOPMENT COST (ROTDC)			12.19%		ROTDC is a measure of project financial performance expressed as the ratio of Net Operating Income to Total Development Cost.
(NOI/TDC)					

Operating Pro Forma (FIRST STABILIZED YEAR) (continued)

DEBT SERVICE	(2,421,700)	
Term/Interest Rate/Amount		\$20,254,910 @ 11.5% for 30 years
Before Tax Cash Flow (BTCF)	321,803	
Cash-on Cash Return (BTCF/Equity)	14.30%	Cash-on-cash return indicates the ratio of cash remaining after the payment of operating expenses and debt service to invested equity on a pre-tax basis.
Equity		\$ 2,250,490 15% of TDC
Debt		\$20,254,410 85% of TDC

GLOSSARY OF REAL ESTATE DEVELOPMENT TERMS

After-tax Cash Flow (ATCF) - A measure of income from operations. Specifically, it is defined as net operating income less debt service less income taxes for any year of operation.

Amortization - The process by which the debt is reduced by a series of regular, periodic payments.

Before-tax Cash Flow (BTCF) - A measure of annual income from operation equal to net operating income less debt service.

Capitalization Rate - The rate of return that expresses the relationship between one year's income and its corresponding capital value. This is often derived from the marketplace by determining the relationship between the net operating income and the sales prices of other comparable, recently sold properties.

Cash-on-Cash Return - A measure of a project's financial performance which indicates a developer's return on invested equity. The first stabilized year's net operating income, less the annual cost of financing, divided by initial cash investment.

Construction Loan - An interim loan used to finance the construction of buildings and other improvements on a site. Typically, only interest is paid or accrued during the construction period. The construction loan is usually paid off with the proceeds of a permanent mortgage.

Debt Coverage Ratio - The ratio of net operating income to debt service. Traditionally, it is used as a measure of financial risk by lenders. Typical values of well-run investments vary between 1.2 and 1.5.

Debt Service - The periodic payment of interest only (in "interest-only" loans) or interest and principal reduction (in level-payment amortization loans). This is also commonly referred to as the mortgage payment.

Depreciation Allowance - An accounting concept that permits the reduction of taxable income in determining tax liability. Developers are permitted to subtract a portion of the value of a property from their taxable income each year for a specified number of years. Since depreciation allowance is not a cash expense and since the actual depreciation (loss in value) of the property bears no relationship to the depreciation allowance for tax purposes, this amount forms the basis of tax shelter for real estate.

Depreciable Basis - The portion of the real estate investment against which the investor may take either straight-line or accelerated depreciation. It is most commonly the purchase price of an income-producing property, less the value of the land, plus the cost of any subsequent improvements since purchase, less previously taken depreciation deductions.

Effective Gross Income - The amount of income available to pay expenses after vacancy losses have been deducted.

Equity - An investor's cash investment in real property. It does not include the financing contributed to the project by a lender, i.e., debt. Equity can grow as the value of the property increases, and the mortgage principal is gradually reduced by mortgage payments.

Financial Leverage - The increase in the rate of return to the equity investor due to borrowing funds. Favorable financial leverage exists when the rate of return on the investment is greater than the cost of borrowing funds. Unfavorable financial leverage exists when the cost of borrowing is greater than the rate of return on the investment.

General Partnership - A joint ownership form characterized by personal income tax rates and unlimited liability.

Internal Rate of Return (IRR) - An investment analysis technique that calculates for the rate that will reduce future cash outflows from a real estate investment to equal the initial cash investment (inflows). This is sometimes called the yield on the investment.

Joint Venture - A legal arrangement in which two or more parties undertake to share the risks and rewards of a venture on an agreed basis.

Limited Partnership - A form of ownership in which partners are divided into two classes: the general partner or partners who actively manage the operations of the group and bear full responsibility for its affairs, and the limited partners, whose exposure is normally limited to the amounts for which they are obligated under the terms of the partnership agreement and who have no control over the affairs of the partnership.

Mortgage - A legal instrument under which property is pledged to secure the payment of a debt or obligation, subject to statutory requirements governing the procedure for foreclosure in the event of a default.

Net Operating Income (NOI) - Gross property income, less operating expenses and property taxes. It does not reflect further deductions for mortgage payments, income taxes, depreciation, or non-operating expenses.

Net Present Value - The amount that results when the initial cash expenditure of a real estate investment is subtracted from the value of future receipts from the investment and is discounted at an acceptable rate.

Note - Evidence of indebtedness given by a borrower to a lender which is customarily secured by a mortgage on real estate, a letter of credit or other form or security.

Percentage Leases - Leasing arrangements that allow for a varying rent schedule according to volume of sales or income.

Permanent Loan - A mortgage loan intended to serve as permanent financing for the ultimate owners of the property. Sometimes this is called an end loan.

Points - Financial charges paid in connection with loan commitments or loans usually expressed as a percentage of the total amount borrowed.

Potential Gross Income - The amount of rental income that would result from 100% occupancy.

Reversion - The price or value of income-producing real estate at some point in the future when its sale can be expected.

Selling Expenses - The transaction costs associated with the conveyance of interests in real property.

Soft Costs - Development costs other than those devoted to land and actual construction, such as interest on borrowed funds, architectural and other professional fees, marketing costs, and incidental costs.

Tax Shelter - The opportunity to protect current income from taxation by taking current deductions against income that defer taxes and converting the income deferred from an item subject to the ordinary income tax to one qualifying for exclusion before taxation. Tax shelter exists wherever the depreciation expense is greater than the amortization of principal.

Vacancy Allowance - The amount that reduces potential gross income based upon the probability of the occurrence of vacancies.

